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May 13, 2008

TO: Members of the Transportation Policy Committee

FROM: Mayor Keno Hawker, Mesa, Chair

SUBJECT: NOTIFICATION OF MEETING AND TRANSMITTAL OF TENTATIVE AGENDA

Meeting - 4:00 p.m.
Wednesday, May 21, 2008
MAG Office, Suite 200 - Saguaro Room
302 N. First Avenue, Phoenix

A meeting of the Transportation Policy Committee is scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person, by videoconference, or by telephone conference call. As was discussed at the first meeting of the Committee, proxies would not be allowed. Members who are not able to attend the meeting are encouraged to submit their comments in writing, so that their view would always be a part of the process.

For those attending in person, please park in the garage under the building. Bring your ticket to the meeting, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admission to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Valerie Day at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

Refreshments and a light snack will be provided. If you have any questions, please contact Eric Anderson, MAG Transportation Director, or Dennis Smith, MAG Executive Director, at (602) 254-6300.

c: MAG Regional Council
MAG Management Committee

A Voluntary Association of Local Governments in Maricopa County

City of Apache Junction ▲ City of Avondale ▲ Town of Buckeye ▲ Town of Carefree ▲ Town of Cave Creek ▲ City of Chandler ▲ City of El Mirage ▲ Fort McDowell Yavapai Nation ▲ Town of Fountain Hills ▲ Town of Gila Bend
Gila River Indian Community ▲ Town of Gilbert ▲ City of Glendale ▲ City of Goodyear ▲ Town of Guadalupe ▲ City of Litchfield Park ▲ Maricopa County ▲ City of Mesa ▲ Town of Paradise Valley ▲ City of Peoria ▲ City of Phoenix
Town of Queen Creek ▲ Salt River Pima-Maricopa Indian Community ▲ City of Scottsdale ▲ City of Surprise ▲ City of Tempe ▲ City of Tolleson ▲ Town of Wickenburg ▲ Town of Youngtown ▲ Arizona Department of Transportation

**TRANSPORTATION POLICY COMMITTEE
TENTATIVE AGENDA
May 21, 2008**

	<u>COMMITTEE ACTION REQUESTED</u>
1. <u>Call to Order</u>	
2. <u>Pledge of Allegiance</u>	
3. <u>Call to the Audience</u> An opportunity will be provided to members of the public to address the Transportation Policy Committee on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens will be requested not to exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Transportation Policy Committee requests an exception to this limit. Please note that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.	3. Information.
4. <u>Approval of Consent Agenda</u> Prior to action on the consent agenda, members of the audience will be provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. Consent items are marked with an asterisk (*).	4. Recommend approval of the Consent Agenda.
ITEMS PROPOSED FOR CONSENT*	
*4A. <u>Approval of April 16, 2008 Meeting Minutes</u>	4A. Review and approval of the April 16, 2008 meeting minutes.
*4B. <u>Arterial Life Cycle Program Status Report</u> A status report on the Arterial Life Cycle Program (ALCP) is provided for the period between October 2007 and March 2008 and includes an update on ALCP Project work, the remaining FY	4B. Information.

2008 ALCP schedule, and ALCP revenues and finances. Please refer to the enclosed material.

*4C. Interim Closeout of the Federal Fiscal Year 2008 MAG Federally Funded Program

The federal fiscal year (FFY) 2008 Interim Closeout established that member agencies submitted requests to defer or delete federal funds from projects for approximately \$37.2 million. As a result, the amount of funds available during the interim closeout is approximately \$5 million. The amount available for the FFY 2008 Closeout may change due to the future project deferrals. Any changes will be provided to the Committee in the upcoming months. The deadline for FFY 2008 Closeout project submittal and initial deferral notification was April 18, 2008. This item is on the May 14, 2008, Management Committee agenda. An update will be provided on action taken by the Committee. Please refer to the enclosed material.

4C. Recommend approval of a list of projects to be carried forward from FFY 2008 to FFY 2009 or later and approval of a list of projects requesting removal of federal funds.

ITEMS PROPOSED TO BE HEARD

5. Fiscal Year 2008 - Arterial Life Cycle Program Regional Area Road Fund Closeout

MAG staff will provide an overview of the Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout process as established in the December 19, 2007 ALCP Policies and Procedures. An update on the fiscal analysis of ALCP revenues and expenditures and a list of eligible projects for ALCP RARF Closeout will be presented. This item is on the May 14, 2008, Management Committee agenda. An update will be provided on action taken by the Committee. Please refer to the enclosed material.

5. Recommend advancing reimbursements from 2012, 2013, and 2014 to 2008 for the FY 2008 Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout for ALCP Projects: Lake Pleasant Parkway, Arizona Avenue at Chandler Boulevard, and Val Vista: Warner to Pecos, totaling \$14.978 million, and amend the FY 2008 ALCP and 2007 RTP Update as necessary.

6. Transportation Planning Update

In December 2007, the Regional Council amended the Unified Planning Work Program and Annual Budget for a statewide survey to measure public attitudes regarding transportation. In February 2008, the Regional Council approved the selection of a consultant and statewide focus groups were conducted. Following the focus

6. Information and discussion.

groups, and with input from the Transportation Policy Committee, a polling instrument was developed for the statewide survey. A scientific household telephone survey was conducted from April 22-May 9, 2008. Survey results are being analyzed, and a presentation summarizing the initial topline findings of the Statewide Transportation Survey will be presented.

On April 23, 2008, a joint meeting of the Regional Council and the Transportation Policy Committee was held. Representatives from the Arizona Department of Transportation discussed the Preliminary Critical Needs Definition document, and representatives from the TIME Coalition discussed an initiative that is being proposed for the November 2008 General Election. An update will be provided on the ballot initiative language and the impact on Proposition 400 projects. Please refer to the enclosed material.

7. Legislative Update

An update will be provided on legislative issues of interest.

7. Information, discussion and possible action.

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING**

April 16, 2008
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair
Councilmember Ron Aames, Peoria
Kent Andrews, Salt River Pima-Maricopa
Indian Community
Councilmember Maria Baier, Phoenix
Vice Mayor Gail Barney, Queen Creek
* Stephen Beard, SR Beard & Associates
Mayor Steven Berman, Gilbert
* Dave Berry, Swift Transportation
* Jed S. Billings, FNF Construction
Mayor Bobby Bryant, Buckeye
Mayor James Cavanaugh, Goodyear
Mayor Boyd Dunn, Chandler

Mayor Hugh Hallman, Tempe
* Eneas Kane, DMB Associates
* Mark Killian, The Killian Companies/
Sunny Mesa, Inc.
Felipe Zubia, State Transportation Board
Mayor Marie Lopez Rogers, Avondale
Mayor Mary Manross, Scottsdale
* David Martin, Citizens Transportation
Oversight Committee
David Scholl
Mayor Elaine Scruggs, Glendale
Mayor Lyn Truitt, Surprise
Supervisor Max W. Wilson, Maricopa County

* Not present
Participated by telephone conference call
+ Participated by videoconference call

1. **Call to Order**

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Keno Hawker at 4:03 p.m.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

Chair Hawker noted that Vice Mayor Barney, Mayor Bryant, Mayor Dunn, Mayor Hallman, Mayor Lopez Rogers, Mayor Manross, and Mr. Scholl were participating by teleconference.

Chair Hawker announced that a memorandum reporting the unanimous recommendation of the MAG Management Committee on agenda items #4C and #4D was at each place. Additionally, an updated summary transmittal for agenda item #4B and a Bill Summary Chart for agenda item #7 were at each place.

Chair Hawker noted that transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

3. Call to the Audience

Chair Hawker stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard. It was noted that no public comment cards were received.

4. Approval of Consent Agenda

Chair Hawker stated that agenda items #4A through #4D were on the consent agenda. He stated that public comment is provided for consent items. He noted that no public comment cards had been received. Mayor Truitt moved to recommend approval of the consent agenda items #4A, #4B, #4C, and #4D. Councilman Aames seconded, and the motion carried unanimously.

4A. Approval of February 20, 2008 Meeting Minutes

The Transportation Policy Committee, by consent, approved the February 20, 2008 meeting minutes.

4B. Project Changes: Amendments, and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2007 Update, as shown in the attached table. The FY 2008-2012 MAG Transportation Improvement Program (TIP) was approved by Regional Council on July 25, 2007. Since that time, there have been requests from member agencies to modify projects in the programs. The proposed amendments and administrative modifications to the FY 2008-2012 TIP are listed in Table A. The amendments include adding the noise reduction study at ADOT, repackaging of two City of Tempe projects into one, and adding six Transportation Enhancement Projects that were approved by the ADOT Board in November 2007. An administrative modification does not require a conformity determination. The Transportation Review Committee and the Management Committee recommended approval of these project changes. Since the Management Committee's recommendation, an additional project identified by the City of Chandler requested a modification.

4C. ADOT Requested Change to Statewide Transportation Acceleration Needs (STAN) Projects

The Transportation Policy Committee, by consent, recommended approval of the ADOT request to decrease the funding by \$1.0 million for the I-10: Sarival to Verrado Way project and increase the funding by \$500,000 each for the L303: Bell Road crossing and for the L303: Cactus and Waddell Road crossing projects. ADOT requested that a small change in the funding from the Statewide Transportation Acceleration Needs (STAN) account that was approved by MAG in December 2006 be modified slightly to decrease the funding by \$1.0 million for the I-10: Sarival to Verrado Way project and increase the

funding by \$500,000 each for the L303: Bell Road Crossing and for the L303: Cactus and Waddell Road Crossing projects. This has determined that the \$1.0 million is not required to complete the I-10 project and the additional funding is needed for the L303 projects. There is no fiscal impact on the MAG Freeway Program. The Transportation Review Committee and the Management Committee recommended approval of the project changes.

4D. MAG Commuter Rail Strategic Plan

The Transportation Policy Committee, by consent, recommended acceptance of the Commuter Rail Strategic Plan as the guiding implementation framework for commuter rail, and for MAG to proceed with the first four implementation steps identified on page nine of the Executive Summary: 1) Ongoing Coordination; 2) Union Pacific Passenger Rail Coordination; 3) Burlington Northern Santa Fe Railway Coordination; and 4) Regional Transit Planning. Since February 2007, MAG has been working on a Commuter Rail Strategic Plan, which will establish a framework for implementing commuter rail service in Maricopa County and northern Pinal County. The MAG consultant provided project briefings to the Management Committee, Transportation Policy Committee, and Regional Council in November and December 2007. The Transportation Review Committee and the MAG Management Committee recommended acceptance of the Commuter Rail Strategic Plan, and for MAG to proceed with the first four implementation steps identified on page nine of the Executive Summary: 1) Ongoing Coordination; 2) Union Pacific Passenger Rail Coordination; 3) Burlington Northern Santa Fe Railway Coordination; and 4) Regional Transit Planning.

5. Transportation Planning Update

Eric Anderson, MAG Transportation Director, stated that the agenda packet included a memorandum that covers the aspects of work by MAG staff in the statewide transportation planning effort. Mr. Anderson displayed a pie chart of staff's understanding of the modal allocations in the ADOT critical needs package. He said the chart had been developed based on a briefing a couple of weeks ago, although the details of the projects have not been handed out nor are they publicly available. Mr. Anderson remarked that the details also may have changed since the briefing.

Mr. Anderson stated that the ADOT critical list needs represents a \$42.5 billion statewide package, which would be funded by a one-cent statewide sales tax over thirty years. He noted that regional or statewide impact fees might be a part of the package to cover some of the costs of growth. Mr. Anderson stated that the pie chart shows \$25.6 billion for highways, \$4.26 billion for streets, with the possibility that the funds could be flexed to other modes, and \$1 billion to light rail. Mr. Anderson stated that from the material staff had seen, it appears \$600 million would go to the MAG region. He stated that the package also includes \$6.5 billion for rail, such as high speed passenger rail service between Phoenix and Tucson, commuter rail service in the MAG area, and possibly rail service to Ash Fork or Williams Junction. Mr. Anderson stated that other transit includes \$1.2 billion to provide a basic level of transit service in the rural areas.

Mr. Anderson stated that the package includes a public/private partnership inducement fund to provide matching funds for public/private partnerships. He stated that approximately \$2.12 billion would be allocated as enhancement funds, patterned after the federal enhancement funds program, for non motorized transportation and aesthetic treatments on transportation projects.

Mr. Anderson stated that the four dimensions of equity could be useful in evaluating a plan. He noted that the dimensions were taken from a report developed in California. Mr. Anderson stated that the first dimension of equity is funding: What is the funding source and who pays? The second dimension of equity is participation: Is there broad ownership of the plan? He noted that there was extensive input on Proposition 400, and that participation resulted in ownership of the plan. Mr. Anderson stated that the third dimension of equity is long-term impacts: What problems are being addressed—congestion, mobility options, connectivity? The fourth dimension of equity is access: What is the return on investment (donor/donee)? Mr. Anderson noted that federally, Arizona receives 91 cents in return for every dollar. He noted that Maricopa County generates two-thirds of the sales tax statewide, and if Maricopa County received back this amount, there would probably not be enough remaining to accomplish significant improvements in other parts of the state. Mr. Anderson noted that Maricopa County residents use and enjoy the statewide system and the County's economic vitality depends on a good transportation system.

Mr. Anderson reviewed the key federal planning requirements that MAG must follow. He noted that at the recent federal review of MAG's planning process, MAG was commended for its planning process. The federal reviewers also noted that other sessions do not go as smoothly as MAG's, which is probably a result of MAG paying close attention to the federal regulations.

Mr. Anderson stated that federal regulations require that transportation plans be cooperatively developed with the departments of transportation and the Metropolitan Planning Organizations (MPOs). He remarked that this means the state cannot impose transportation plans on regions. Mr. Anderson stated that MAG is fortunate to have a good relationship with ADOT. He noted that when the MoveAZ plan was put together, the freeway portion of the ADOT plan was from the MAG plan.

Mr. Anderson stated that in nonattainment areas like the MAG region, the MPO shall not approve any transportation plan, program, or project that does not conform with the State Implementation Plan. He commented that this means that while working with ADOT on a statewide needs list, MAG cannot officially provide a list of projects that has not gone through air quality conformity analysis. Mr. Anderson stated that staff met with the consultant and pointed out increased freeway construction cost issues and that additional funds are needed for the I-10 Collector Distributor System and I-17.

Mr. Anderson stated that the Governor has spoken about the "time tax," which is the amount of time traffic congestion costs residents. He said that a study by the Texas Transportation Institute shows this amounts to 82 million person hours per day in Maricopa County, and an annual cost of \$1.7 billion in terms of delay in 2005.

Mr. Anderson stated that there will be an increased demand for transit due to high fuel prices, an aging population, and perceived environmental benefits. He also noted that a significant increase in public demand is expected following the opening of light rail. Mr. Anderson stated that the preliminary findings of the Transit Framework Study are expected the end of 2008 and the final report in early 2009.

Mr. Anderson stated that in addition to increased costs and needing additional funding for I-10 and I-17, the MAG region could accelerate Proposition 400 projects. In addition, gateway routes could use attention. Mr. Anderson noted that the Governor's package included \$4.2 billion statewide for local street needs. He stated that MAG staff estimated a \$9 billion shortfall for local streets in this region alone. Mr. Anderson noted that this is for basic maintenance and operations, not new streets. He

advised that municipalities are using significant amounts of general funds to pay for streets, largely due to the gas tax not changing since 1991. Mr. Anderson noted that the MAG region represents approximately 60 percent of the population, 69.5 percent of the employment, 67 percent of the sales tax generation, and 59.6 percent of the gasoline sales.

Chair Hawker noted that the transportation survey showed 52 percent of the miles traveled in the state were in Maricopa County and asked if this figure might be added to the data chart. Mr. Anderson stated that this number might not be the most accurate because the data were obtained from a sample of streets.

Mr. Scholl asked Mr. Anderson how the groups will come together on a single proposal. Mr. Anderson replied that he could not speak directly to the Governor's package and the reactions of colleagues because he had not had those discussions. However, generally, MAG's relationships with the state's Councils of Governments (COGs) has been very good and they see the need for good cooperation in the development of a statewide solution for transportation. Mr. Anderson commented that they have provided information and been briefed, but he thought there has been disappointment there has not been more involvement of the COGs and MPOs in the development of the package.

Mr. Scholl asked Mr. Anderson if he expected the Legislature to take this up and if there is concern that there might be additional ballot measures from the Legislature to add to this effort. Mr. Anderson replied that they heard the TIME Coalition is considering running a voter initiative campaign. He said that to do that, the initiative language has to be developed and to the Secretary of State's office by July 3, 2008. Mr. Anderson added that it would require 153,000 valid signatures, which means collecting 200,000 to 250,000 signatures in the next couple of months. He stated that he was unaware of a bill or any statewide referendum at this time. He indicated that he thought it would be difficult to get the Legislature to coalesce around a referendum question given the current negotiations in the state budget, and even the initiative route will be challenging.

Mr. Scholl stated that there has been concern that competing pieces of legislation might pass. He suggested using the initial Governor's Office package as a starting point by the COGs and MPOs to keep everyone on the same page with a single measure as a goal.

Mayor Cavanaugh stated that as Chair of MAG and the Arizona COG/MPO Association, and Co-Chair of the BQAZ Policy Group with Felipe Zubia, he thought that the initial response of some persons was that a 2008 election was too soon. He said that they felt they should rely on a comprehensive plan and go to the voters one time only. Mayor Cavanaugh stated that they want to come to a solution and want everyone to be a winner.

Mayor Cavanaugh stated that the transportation crisis is everywhere and the Governor is being proactive and doing what she thinks is right. He remarked that responding quickly as the Governor wants makes sense. However, a long term plan reached through framework studies is important because it integrates the transit, freeway, and road relationships. Mayor Cavanaugh stated that there is concern with the equity issue. Some counties in Arizona are already taxed for transportation and some are not. He commented that this bothers some who do pay. Mayor Cavanaugh stated that a one percent sales tax is onerous to municipal leaders because it reduces the flexibility for municipal budgets and sales tax will be maxed out. Mayor Cavanaugh stated that sales taxes are the easiest and quickest revenue source, and may not be the right revenue source for transportation. Mayor Cavanaugh stated that there are other revenue sources for transportation, but there is no way to utilize them and still be on the ballot in 2008.

He suggested a strategic plan for transportation with two taxable components. The first component is to have a 2008 election in which the critical needs total is reduced to \$15 billion to \$20 billion. Mayor Cavanaugh explained that this would result in not exceeding one-half of one percent sales tax for transportation; and no county would pay more than .75 percent in sales tax for transportation. Mayor Cavanaugh stated that this resolves the equity issue fairly well. He stated that the second component would be using the information from the framework studies toward development of a long term plan for transportation in the state. Mayor Cavanaugh commented that this makes our position more defensible in selecting the right revenue sources, whether they be toll roads, impact fees, gas taxes, or sales taxes. He remarked that time is needed to do that. Mayor Cavanaugh added that going to a 2012 election allows inclusion of the federal government, which cannot be accomplished for a 2008 election. He expressed his respect for what the Governor is doing, but local elected officials have to be responsible to their cities. Mayor Cavanaugh stated that cities and towns cannot afford to have a one percent sales tax for transportation and still do other things. He remarked that the framework studies are worth interest and attention and will derive something defensible to citizens in 2012.

Chair Hawker commented that Mayor Cavanaugh's proposal was those who already pay a sales tax for transportation would pay one-quarter cent, and those who do not pay any sales tax for transportation would pay a half-cent.

Councilmember Aames asked about the term of the sales tax. Mayor Cavanaugh replied that he thought the term would remain 30 years.

Supervisor Wilson asked about increased costs if projects were delayed two years. Mr. Anderson replied that costs could increase an additional ten to fifteen percent. He also advised that the regional freeway program totaled \$4 billion and it was not clear if more projects could be accommodated, anyway, due to industry capacity. Mr. Anderson indicated that he thought cost increases over the next five years could be managed. He added that needs in the short term in this region are less than in other parts of the state, because of Proposition 400.

Councilmember Baier stated that the City of Phoenix does not have an official position or statement at this time, but is interested in equity in terms of a fair return from what is collected in this region.

Mayor Scruggs complimented Mayor Cavanaugh on a well-presented platform. She indicated her support with all points he made as premises. Mayor Scruggs expressed her interest in his solution of bringing equity. She recalled that at the WESTMARC meeting, equity was a huge discussion. Thirteen counties would get everything paid for them and two would not. Mayor Scruggs stated that she would be interested in seeing where the dollars would be shaved off if the Maricopa and Pima taxes dropped to .25 percent. She said that she thought commuter rail, with its large capital and operating expenses, would be dropped off. Mayor Scruggs stated that the Glendale City Council has taken no position because it has not had a briefing. She commented that in general, they feel the West Valley needs have been disregarded and no consideration has been given.

Mayor Dunn stated that Mayor Cavanaugh's proposal was an interesting concept. He asked for clarification if the equity argument included the dedicated revenue of individual cities, already committed or that may be committed in the future to transportation. Mayor Cavanaugh replied that was not a part of his concept. He noted that his concept was to stay to Proposition 400 as the basis for Maricopa County.

Mayor Dunn noted that his City Council had not been briefed. He stated that for his city's needs, it intends to pursue a sales tax for transportation needs. You can only go to the well so many times for sales taxes. Mayor Dunn expressed it was a concern of his that if Mayor Cavanaugh's concept was used, it probably should include what sales taxes individual cities have.

Mayor Cavanaugh stated that there would be a one-percent sales tax to be utilized for transportation requirements statewide, and some people's argument is "What will we gain?" He stated that there is a concern with equity and with Maricopa County being a donor.

Councilmember Aames asked if that is linked to Proposition 400. Mayor Cavanaugh stated that possibly you could account for some Proposition 400 revenue with this money. He said that they are in the process of discussing whether shortfalls in funding are intended to be backfilled by this sales tax, but nothing definitive has been decided.

Chair Hawker expressed his appreciation for the donor/donee discussion and the concept of ratcheting down the total percentage paid by a county. He stated that his questions were: Does the TPC take a position? And if the TPC takes a position, how? Chair Hawker stated that if this gets into an acceleration or backfilling, the TPC needs to ensure projects stay in order because someone else is putting this on the ballot. Chair Hawker stated that this discussion in a generic sense shows other options and ways to make this work. The economy is important to the state and Maricopa County is the driver, but so is the entire transportation network. Chair Hawker stated that citizens favor statewide mobility somewhat on the donor side, but it becomes an issue of degree.

Mayor Hallman expressed his appreciation for Mayor Cavanaugh's concept. He stated that it is important in this instance for the TPC to decide how best to engage in solving transportation issues. If mobility is difficult, it will be challenging to attract business to communities. Mayor Hallman stated that he was somewhat amused by the donor/donee discussion because Tempe has been a donor to the county's transportation system, and the county has been a donor to the state. He commented that residents travel outside the county and enjoy the state's amenities. We need to decide if we will address the issues together. Mayor Hallman stated that he becomes concerned when he hears decisions being made regarding a specific county or community not getting a desired return. He remarked that this year, Tempe will receive very little benefit from transportation amenities provided outside its community. Mayor Hallman stated that Tempe faces mostly arterial streets congestion within the community. Tempe recognizes that the state needs to deal with massive congestion on freeways as Maricopa County's congestion increases, with solutions such as commuter rail. Mayor Hallman suggested the TPC not have a role in this specific debate because the TIME Coalition will either be successful in gathering enough resources, mounting an initiative campaign, and getting needed signatures, or they will not. He stated that if the TIME Coalition is successful, it will need to engage the TPC and the cities and towns to support their proposal. Mayor Hallman stated that Mayor Cavanaugh's suggestions are well worth pursuing.

Councilmember Aames stated that the needs in Maricopa County are greater, such as looking at commuter rail. Maricopa County is not starting with the same base because it has greater needs.

Mayor Scruggs stated that commuter rail is going to Pima County and the problem is why would it not be considered as a part of equity. She referenced what Mayor Dunn said regarding Mayor Cavanaugh's approach of equity, cities have their own taxes and should not be removed from the table. Mayor

Scruggs stated that it is important to think about which jurisdictions or counties receive what services. She remarked that once a tax goes through, it is a strong limiting factor to cities raising their own taxes for their own needs. Mayor Scruggs stated that the question is whether jurisdictions are willing to go forward and raise funds for projects that will happen regionally and statewide, but the continual addition of other taxes diminishes the ability of individual jurisdictions. She indicated that it was important to look at what each jurisdiction will derive from this. Mayor Scruggs stated that she would like to leave Mayor Dunn's and Mayor Cavanaugh's thoughts on the table because they deserve serious consideration.

Councilmember Aames stated his agreement to leave Mayor Dunn's and Mayor Cavanaugh's comments on the table, but his thinking was if there is not reasonable equity, Maricopa County voters might not support the tax. If they see that commuter rail goes to Tucson only, they might not vote for it. Councilmember Aames stated that perhaps equity needs to be built into the projects.

Chair Hawker stated his appreciation for the comments that cities that have taxed themselves should not be penalized because they do not have as many projects to submit for a statewide plan.

6. Role of Transportation Policy Committee Regarding Statewide Transportation Planning

Chair Hawker stated that he had asked for this item to put on the agenda because of discussion about the TIME Coalition moving forward. He said that MAG did not put out a list of projects because of the restrictions on including projects without an air quality analysis. Chair Hawker requested that an explanation be provided on the air quality restrictions in Maricopa County that the other counties do not have.

Dennis Smith, MAG Executive Director, stated that the composition of the TPC was brought forth by Chair Hawker, Mayor Scruggs, and other elected officials in 2002. The Regional Council approved the composition, and the Legislature adopted it and put it into state statute. Mr. Smith stated that the statute is explicit that the TPC is involved the Regional Transportation Plan process, and amendments to the Transportation Improvement Program and Regional Transportation Plan, etc. He explained that federal regulations require that MAG's transportation planning is conducted in cooperation with ADOT and inserted into the state plan. Mr. Smith advised that these plans need to be the same because MAG is doing air quality analysis on the Regional Transportation Plan and the Transportation Improvement Program. Mr. Smith stated that the Maricopa County region is a nonattainment area and has to fulfill certain requirements of the Clean Air Act. He noted that if something is approved by the voters, MAG would be in the position of accepting it or denying it. Mr. Smith noted that federal regulations require MAG to develop the plan in cooperation with ADOT.

Chair Hawker asked if the Clean Air Act requirements applied to all projects. Mr. Smith replied that the requirements apply to all regionally significant projects.

Chair Hawker stated that if the \$42 billion statewide election passed and several projects overlap, such as I-17, it is unknown right now if that lines up with the MAG transportation plans. Mr. Smith stated that in 1994, Proposition 400 failed. He reported that Governor Symington's plan removed the Paradise Freeway, Grand Avenue, and other projects. In January 1995, the Governor's plan was submitted to the Regional Council who was put in the position of agreeing with the proposal. Mr. Smith stated that none of those projects proposed then could have been built without running a conformity analysis. In 1996,

MAG saw additional revenue and worked with the Governor's office on additions to the plan. Mr. Smith stated that this was an example of doing things fast. Decisions were made quickly, without data, and there was not time to get it done right.

Chair Hawker asked how the TPC would engage in the process, that is, moving forward with or without projects. Mr. Smith stated that MAG staff was directed by the TPC and Regional Council to work cooperatively with ADOT and look at projects that had gone through the MAG planning process and also to talk to them about our cost issues. Mr. Anderson stated that in spring 2007, the Governor issued the Transit Executive Order. In response, MAG, in a quick turnaround, provided to ADOT a package that included additional buses, light rail extensions, commuter rail, additional funding for dial-a-ride, paratransit and vanpool.

Mr. Zubia said he did not think there will be any specific references to plans in the initiative. He stated that the initiative is talking about funding, not plans, because of requirements. Mr. Zubia stated that this is a privately funded, non-government organization drafting the language for the initiative, and they can do what they wish and do not need permission. He stated that Mayor Cavanaugh was very eloquent on the equity issue and he thought his ideas are worth thought and consideration. Mr. Zubia commented that he thought if the basis is based on equity at the micro level, nothing ever gets done. He stated that there is a group working toward getting the initiative on the ballot. The issue is how can MAG influence it and what will it look like to address needs as best we can? He commented that MAG can take either the position to support or oppose. Mr. Zubia stated that the signatures for the ballot are needed by July 3, 2008. What if this is accomplished and the TPC has not participated?

Mayor Scruggs asked for clarification that MAG will have the choice to accept or decline funds. She asked if accepting means going through the process in state law. Mr. Smith replied that MAG would have to identify projects, code them into the model, run the model, and bring back the amended Plan and TIP for MAG approval. He noted that the projects on the list are unknown. Mr. Smith noted that state law says priorities are set by MAG.

Mayor Scruggs commented that Mr. Zubia was correct—this is a privately funded group who can proceed without contacting MAG. However, they are choosing to contact MAG because they would like the local elected officials to influence their voters. Mayor Scruggs stated that for elected officials to do that, they must be able to tell the voters why this tax is a good thing for them. To say a plan is not needed and to not be concerned with equity is not the right way to go. Mayor Scruggs stated that constituents know their local elected officials and ask how this will help them. She said it is important to have a plan to be able to say if this will help their quality of life. Mayor Scruggs added that taxes usually pass or fail based on the voters' perception of how their quality of life will be affected. She stated that she understood this election is expected to draw an 80 percent voter turnout. Mayor Scruggs stated that the equity issue was raised because that is one of the questions voters will ask. They need to go to someone for answers, and that is usually the elected official. Mayor Scruggs expressed that she hoped Mr. Zubia would not view her concerns as parochial or selfish—they are important questions the voters will ask. She stated there is also the question on whether the money can be utilized if approved.

Chair Hawker stated that the concern is not only how the pots of money will be divided, but also how it will be allocated to specific projects. The discussion ensuing would be similar to the Proposition 400 deliberations. Chair Hawker stated that he viewed delaying the selection of specific projects as detrimental because voters could not be told what they will get for their communities.

Supervisor Wilson expressed concern with the debt the state would be assuming. He stated that the federal government was going to build freeways and then was unable to do this. The responsibility to build and maintain them passed to the state, and has now fallen to the sales tax of the cities. Supervisor Wilson stated that a more intensive examination of this is needed. He commented that it was difficult to him to see where this was going for the state with the debt it is facing, unless the cities will take on the debt with a sales tax. Supervisor Wilson expressed his agreement that this seems to be hurried; the more discussion, the more questions there are.

Councilmember Baier expressed her agreement with comments made by Mayor Scruggs and Mr. Zubia. Regarding Mayor Scruggs' comments, she expressed her agreement that those who have made an investment should not be punished for making that investment. Councilmember Baier stated her appreciation for Mr. Zubia's explanation of the mechanics of the process. She said that until the provisions are seen, it will be difficult to see how the concepts interact with the Voter Protection Act. With the Supremacy Clause argument, we will have to adhere to federal guidelines, but if it is statewide initiative, we will have a difficult time changing the provisions. Councilmember Baier stated that until we see the language of the initiative, we need to look at the provisions and how they deal with the Voter Protection Act, allocations and the Clean Air Act. Until then, it will be difficult to arrive at a logical conclusion.

Mr. Zubia apologized that his comments were taken harshly. He expressed appreciation to Councilmember Baier for understanding he was not implying that identifying benefits to citizens of their communities was unimportant. Mr. Zubia stated that he was dealing with the timeline only and how the TPC could participate. The TPC needs to evaluate what it knows, figure out a timeline, and say whether it supports it or not. Mr. Zubia stated that the timeline is short and the TPC cannot control that. The question is, does the TPC want to look at the provisions from the TPC viewpoint as a body and influence the 2008 package or not? Mr. Zubia expressed that it appears it is being done on an individual basis.

Chair Hawker stated that if the TIME Coalition is not coming to the elected officials, the elected officials would not be as likely to support it. He commented that if he was given more materials and data as tools that could help show how projects will handle congestion and by what means they are proposing it, then he might support the initiative. Chair Hawker stated that he has not seen an explanation of how the \$42 billion will minimize congestion in Arizona.

Councilmember Aames stated that there is little time left and not much the TPC can influence anymore. Councilmember Aames stated that voters will ask elected officials if they should support the tax. He stated that one percent is a lot of money. It is a dilemma that goes back to the TIME Coalition helping us understand where the money will be spent.

Mayor Berman stated that his town is experiencing a financial shortfall because revenue is down. He added that feedback they are receiving is to raise taxes to provide essential services. Mayor Berman said that he would be surprised if this tax passes because people already think their taxes are going to be raised. He stated that this is coming at a time when cities and towns have less money to spend, although he appreciated the effort to support transportation throughout the state.

Mayor Manross stated that many of her sentiments had been expressed, and she echoed Mayor Scruggs's comments. She stated that Scottsdale has been taxing themselves for transportation since 1989. Mayor Manross stated that everyone is aware there are congestion issues and she believed that it is how the

issue is framed. How much preparation you do and how inclusive you are is how successful you are. Mayor Manross stated that this process has come so quickly and has not been inclusive. She said that Scottsdale has not seen any evidence of return or benefit, even though it probably will contribute ten percent of the statewide total. Mayor Manross stated that it took years for the TPC to develop Proposition 400. She commented that Scottsdale was a donor and was glad to have done it, but how could she say to her voters that Scottsdale will contribute \$100 million per year and see nothing that will impact their city or be even close to equity? Mayor Manross stated that Scottsdale recently passed a \$2 billion, 20-year transportation plan that took a couple of years to develop. She said that her residents will ask how can Scottsdale contribute \$100 million to a statewide plan when it has \$2 billion in needs itself. Mayor Manross stated that they need answers to these questions.

Mayor Lopez Rogers stated that this is funding, not a plan. As we move forward, expanding the base of sales tax will help everyone. She said that local allocations and percentages are areas that are probably key if MAG is going to support this. Chair Hawker asked for clarification of expanding the base of the sales tax. Mayor Lopez Rogers replied that there are items not subject to sales tax.

Mayor Cavanaugh stated that one can argue the exclusivity of this process, but ADOT and the Governor have been seeking MAG's input. He expressed his appreciation to ADOT Director Victor Mendez for that. Mayor Cavanaugh stated that he expected what is on the project list will be known soon. He stated that he had mentioned a two-part proposal earlier in the meeting. The first part would be to get out an effort smaller than the Governor's plan in 2008. Mayor Cavanaugh stated that this would not provide the inclusiveness that some desire, but that would be provided in the second part, which is the long-range, 50-year plan and how to fund it. Mayor Cavanaugh stated that some things cannot be resolved in the next two months. He suggested Mr. Mendez present a list to the TPC and indicated his belief that the TPC still can influence this process. Mayor Cavanaugh expressed that there is probably greater merit to influence this as a group than as individuals. He stated that a quick conclusion is needed and the TPC would not be able to discuss this as it did Proposition 400. Mayor Cavanaugh stated that he would support that for a role for the TPC, but would defer to whatever the rest of the TPC members wanted.

Chair Hawker asked for clarification of the role of Mr. Mendez if an independent body is collecting signatures, outside of conforming to what is passed on the ballot. Mayor Cavanaugh noted that Mr. Mendez was asked by the Governor to determine critical needs in the state. He provided a list that was quite large and the Governor asked him to reduce it, which he did. Mayor Cavanaugh stated that this list is primarily an ADOT list and is responsive to the TIME Coalition's desire to go for a 2008 vote.

Chair Hawker asked if the TIME Coalition was going to run on the ballot the needs list created by Mr. Mendez that was adjusted throughout the state. Mr. Zubia said that Mr. Anderson's presentation skipped over a lot of that detail. He stated that Mr. Mendez met with the COG Directors and District Engineers throughout the state.

Mr. Anderson stated that MAG staff had discussions with the ADOT consultant on a critical needs list and provided quite a bit of information. He reported that the briefing he received lasted about ten minutes and contained little of the input they provided on that list.

Mr. Zubia stated that ADOT was directed by the Governor to come up with the needs throughout the state. He said that the TIME Coalition was using that as the basis to figure out the funding amounts

needed. Mr. Zubia added that the TIME Coalition will be independently floating an initiative that will not be done by ADOT or the Governor's office.

Mayor Scruggs stated that many West Valley cities provided their critical needs to Jack Lunsford of WESTMARC and the East Valley cities provided their critical needs to Roc Arnett of East Valley Partnership, who passed them on. She said that she assumed that other areas of the state provided their critical needs in a like manner. Mayor Scruggs stated that they presented their critical needs, but someone decided the critical needs did not agree with their critical needs or saw more critical needs. She said she did not see how the TPC will be able to influence this positively. Mayor Scruggs stated that they provided their critical needs, but they are not enough to make it on the plan that is really not a plan.

Mr. Zubia stated that ADOT met with the District Engineers and the COG Chairs and staff. He said that MAG, because of its unique position with air quality conformity issues, chose not to take an official position. Mr. Zubia remarked that he was not sure if the TPC heard this or if it was a decision of the MAG Executive Director. He noted that this is why back channels were used.

Mr. Smith stated that the decision of how MAG would interface with ADOT was recommended by the TPC and approved by the Regional Council. He stated that staff followed their direction.

Mr. Zubia stated that he was just trying to show why it was not done officially through MAG. He explained that it was not done that way throughout the state, just at MAG. Everyone else had direct input.

Chair Hawker recalled being present at those meetings when instruction was given to MAG staff not to take a position, because the priorities and policies had not been set out as an organization.

Councilmember Aames stated that Mayor Cavanaugh had provided good statements. If the TPC could get a list, they could discuss it. He asked if a list was available. Mayor Cavanaugh stated that there is a package that is currently being refined.

Mr. Zubia stated that he might look at this from a different perspective because he was not an elected official. He said that he thought the TPC could participate and influence the process. Mr. Zubia noted that MAG might not be able to be project-specific, but perhaps there was a way MAG could say affirmatively that there is a transportation issue, there is a funding issue, and an amount of funding is needed in Maricopa County, and then determine the funding allocations through the MAG process. He stated that with the abbreviated timeframe, he thought there needed to be consensus that there is an issue, one important enough to present to the voters. Mr. Zubia stated that he thought a quick decision was needed as to how the TPC was going to participate.

Chair Hawker stated that he would welcome any presentation that included more data, which were lacking for him to be able make a decision as to whether it would benefit Mesa. Chair Hawker stated that if there was a dollar magnitude, the TPC could present those project discussions to see if there is concurrence. He expressed his appreciation for all of the discussions on the different perspectives and allowing this to be on the agenda.

Mr. Anderson stated that it would be extremely helpful from a staff perspective to have the package available. He noted that \$160 billion in needs was submitted, which was carved to \$42.5 billion. Underneath the discussion are the questions of the criteria used to make that decision, why some projects are on the list and others are not, and how the revenue number was derived. Mr. Anderson stated that some have seen the document, but without seeing it in detail, is extremely frustrating from a staff perspective. He expressed the understanding that the Governor's office does not want to prematurely release the package to the public, but this discussion would have been more productive in the context of what is on the table. Mr. Anderson stated that staff has done all they can do without seeing more specifics, which they would need to feel comfortable that this is the right package.

Chair Hawker stated that he was hearing a need to get more information in a timely manner and have more data. He asked if there were any objections to this.

Councilmember Baier said that she did not object, but to a finer point, because of the timeline of the initiative, this would need to be accomplished soon.

Chair Hawker stated that this could be done at the next TPC meeting or at a special meeting.

Supervisor Wilson stated that if given the choice for commuter rail between Phoenix to Tucson or from East Mesa to Wickenburg, he would opt for the latter. He commented that this area has the highest population in the state and more traffic problems. Supervisor Wilson added that when truckers pay their gas tax they would be paying for part of the state's highway system, but with a sales tax, not as much.

Mayor Scruggs noted that agenda item #4D, just recommended for approval by the TPC, says that ADOT will define the preferred route for intercity travel for metro Phoenix and metro Tucson. In Implementation Step #3, proceeding with the study would not identify the corridor as the region's top priority. Mayor Scruggs stated that some West Valley mayors, including Mayor Rogers, have supported commuter rail for years, but that critical need was not as critical as Phoenix to Tucson. She noted that the plan she saw has that train going somewhere else than what was mentioned in the report.

7. Legislative Update

Chair Hawker stated that \$20 million in STAN funding was provided to buy a parcel of land that was in a pending industrial development planning to start building in the right-of-way for the 802 freeway. He stated that the City of Mesa feels there is a better proposal to spend Mesa's money and go ahead and accelerate the freeway at its own cost from 2016 to 2013. Chair Hawker explained that to get the project underway, instead of buying one right-of-way parcel, the \$20 million could be used toward the \$43 million in interest expense and the rest with local funds. He noted that they have done a lot of work at ASU Polytechnic Center and the Phoenix/Mesa Gateway Airport. In addition, DMB is developing a large project in the area, and the freeway will run through Superstition Vistas, which is state trust land of 220 square miles. Chair Hawker explained that there is a difference of opinion between the Legislative Counsel, who thought there was no problem moving the funds from land acquisition to an interest account, and the Attorney General's office, who feels it is not a proper transfer. He stated that Senate Bill 1507 will clarify the language, not only for Mesa, but for anyone else statewide who wants to use STAN funds for interest accelerations.

Nathan Pryor, MAG Senior Policy Planner, stated that last Friday was the deadline for bills to be heard in committee, which effectively made some bills inactive at this time. He added that it is not over until the session is concluded.

Mr. Pryor stated that Senate Bill 1027, Toll Roads and Public Highway Authority, has not been scheduled for the Transportation Committee. He said the bill will continue to be monitored.

Mr. Pryor stated that the Energy and Independence and Security Act, which was approved in December 2007, established a minimum 80 percent federal share for CMAQ funds. He advised that the act inadvertently impacted the MAG program in regard to funds for CMAQ projects by requiring a minimum 80 percent match. Mr. Pryor reported that there has been an administrative agreement that there is existing language in the Federal Register to address those issues. Mr. Pryor stated that the 80 percent minimum is no longer applicable to the MAG projects. He noted the invaluable assistance of Congressman Harry Mitchell in the resolution of this issue.

There being no further business, the meeting adjourned at 6:03 p.m.

Chair

Secretary



TRANSPORTATION DIVISION

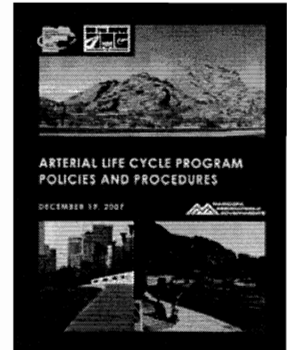
Arterial Life Cycle Program (ALCP) – Status Report

October 2007 – March 2008

Between October 2007 and March 2008, MAG Staff received approval of the revised ALCP Policies and Procedures, published the Arterial Life Cycle Program (ALCP) in book format, and revised the ALCP Project Overview and Project Reimbursement Request forms. MAG Staff collaborated with the ALCP Working Group to develop proposed revisions to the ALCP Policies and Procedures (“Policies”). Revisions to the Policies included the addition of a new section (Section 260) that established procedures for the Regional Area Road Fund (RARF) Closeout Process. The Policies were approved and enacted by the MAG Regional Council on December 19, 2007.

On February 27, 2008, the MAG Regional Council approved an update to the Arterial Life Cycle Program. Changes to the ALCP included administrative modifications and the reallocation of reimbursements for various projects. In early March, MAG Staff disseminated copies of the updated ALCP to the ALCP Working Group via email.

Copies of the forms and publication are available for download from the MAG – ALCP website at <http://www.mag.maricopa.gov/project.cms?item=5034>. Printed copies are also available. To receive printed of the publications and/or forms, please contact Christina Hopes at chopes@mag.maricopa.gov.



ALCP REVENUE AND FINANCE

The ALCP receives dedicated sales tax revenues (RARF) for transportation improvements to the arterial road network in Maricopa County. RARF revenues are deposited into the arterial account on a monthly basis.

Table 1. RARF Collections (October 2007 - February 2008)				
	Freeways	Arterial Streets	Transit	Prop. 400 (total)
October	\$ 18,118,625	\$ 3,385,152	\$ 10,735,769	\$ 32,239,546
November	\$ 17,588,010	\$ 3,286,016	\$ 10,421,365	\$ 31,295,391
December	\$ 17,525,852	\$ 3,274,403	\$ 10,384,535	\$ 31,184,790
January	\$ 20,360,361	\$ 3,803,982	\$ 12,064,057	\$ 36,228,400
February	\$ 16,425,349	\$ 3,068,793	\$ 9,732,458	\$ 29,226,600
Total	\$ 90,018,197	\$ 16,818,346	\$ 53,338,184	\$ 160,174,728

Although, \$160.2 million was collected for the between October 2007 and February 2008, RARF revenues were noticeably lower than the \$172.4 million forecasted.

Table 1 details the revenues collected by mode during the second and third quarters of

FY08. Table 2 compares actual RARF revenues to estimated revenues during the same period. (March 2008 RARF revenue figures were not received by the time of publication.)

To date, more than \$800 million has been generated through the RARF tax collection as a result of Proposition 400. Of that, \$84.1 million in RARF revenues collected was dedicated to the Arterial Life Cycle Program for capacity and safety improvements

Table 2. RARF Collections Estimate v. Actual (October 2007 - February 2008)			
	Estimated Total RARF	Actual Total RARF	Percentage Difference
October	\$ 33,108,000	\$ 32,239,546	-2.6%
November	\$ 32,786,000	\$ 31,295,391	-4.5%
December	\$ 32,853,000	\$ 31,184,790	-5.1%
January	\$ 40,623,000	\$ 36,228,400	-10.8%
February	\$ 32,990,000	\$ 29,226,600	-11.4%
Total	\$ 172,360,000	\$ 160,174,728	-7.1%

ALCP PROJECT STATUS

The second and third quarters of FY2008 were extremely productive for member agencies with projects programmed in the ALCP. Over the last 6 months, MAG Staff received 9 Project Overviews from 5 Lead Agencies and initiated 9 Project Agreements with 6 Lead Agencies. In addition, MAG Staff received 6 Project Reimbursement Requests in the amount of \$2.7 million. Table 3 provides detailed information on the status of current projects programmed for work and/or reimbursement in FY08.

INFLATION AND ROUNDING IN THE ALCP

Each year during the annual update process, an inflation factor is applied to the remaining ALCP project reimbursements programmed in the ALCP. Throughout the implementation of the Arterial Life Cycle Program, MAG Staff has recorded the inflated reimbursement amounts for each project down to the dollar. In the past, the ALCP report and project requirements have shown reimbursements to the nearest thousand of dollars.

In an effort to maximize reimbursement amounts, MAG Staff will start showing project reimbursement amounts to the dollar in the ALCP and project requirements, such as Project Agreements. This change will not impact any signed and effective Project Agreements or other project requirements submitted to date. Starting with the publication of the FY2009 Arterial Life Cycle Program, Lead Agencies will be able to view both the full reimbursement amount by project and rounded reimbursement amount as programmed by work phase. Please direct any questions about this change to Christina Hopes at chopes@mag.maricopa.gov or (602) 254-6300.

RARF CLOSEOUT FREQUENTLY ASKED QUESTIONS

Question 1: If I have completed one work phase (ie. design), am I eligible for RARF Closeout Funds?

No. In order to be eligible for RARF Closeout funds, the entire project must be completed (ALCP Policies and Procedures, Section 260(C)(2))

Question 2: My project is completed! Can I receive all of the available RARF Closeout Funds?

No. Reimbursements are limited to the amount programmed in the ALCP or 70% of eligible project expenditures, whichever is less. The same rule applies to the RARF Closeout Process

Question 3: What do I, as the Lead Agency, need to do during the RARF Closeout Process?

To be eligible for RARF Closeout funds, the project must be complete AND MAG Staff needs to receive and accept all three project requirements (Overview, Agreement, and Project Reimbursement Request) by June 1st.

TIP/ALCP ANNUAL UPDATE PROCESS

December marked the beginning of the annual update process for the Transportation Improvement Program (TIP) and the Arterial Life Cycle Program. Each Lead Agency was asked to update information for projects programmed in the TIP and/or ALCP. To assist agencies with the update process, MAG Staff developed the TIP/ALCP Data Entry System, an Access-based application that allows agencies to request project changes and revise data on current and planned facilities.

This was the first year MAG Staff used the Data Entry System to update projects in the TIP and/or ALCP. For the most part, the Data Entry System was a success. However, MAG Staff is always interested in ways to improve on current processes and applications. Let us know if you experienced any difficulties with the Data

Entry System or if you have a suggestion on how to make it better. Please send all comments and suggestions on the TIP/ALCP Data Entry System to Steve Tate at state@mag.maricopa.gov.

TIPS FOR COMPLETING PROJECT REIMBURSEMENT REQUESTS

Under the ALCP Policies and Procedures, Project Reimbursement Requests (PRRs) must be submitted before a Lead Agency may be reimbursed for eligible project expenditures. On February 26, 2008, MAG Staff conducted a brief training on completing PRRs and introduced the revised PRR forms. An electronic version of the current PRR form is available for download from the MAG website at <http://www.mag.maricopa.gov/project.cms?item=5034> under the heading Project Requirements and Forms.

Tip #1: Use the correct Project Id number as listed in the *currently approved* ALCP

Tip #2: The regional share in the budget summary table should equal 70% of the eligible Project Expenditures or the maximum amount listed in the ALCP, whichever is less.

Tip #3: Use the current version of the ALCP, TIP, and Project Reimbursement Request form.

Tip #4: Include summary tables for backup invoices. Summary table templates are included in the PRR form. MAG Staff will also provided sample summary tables upon request.

Fiscal Year 2007-2008 Arterial Life Cycle Program Schedule

Please Note: ALCP Administrative Adjustments and ALCP Amendments will go through the MAG Committee Process as necessary, as part of a transportation project change agenda item for required action.		
April	24	Presentation to the Transportation Review Committee on the RARF Closeout Process and the ALCP Status Report for October 2007 – March 2008
May	14	Presentation to the Management Committee on the RARF Closeout Process
	21	Presentation to the Transportation Policy Committee on the RARF Closeout Process
	28	Presentation to the Regional Council on the RARF Closeout Process
	29	Draft FY2009 Arterial Life Cycle Program presented to the Transportation Review Committee
June	11	Deadline to submit Project Reimbursement Requests for reimbursement in FY2008 Draft FY2009 Arterial Life Cycle Program presented to the Management Committee
	18	Draft FY2009 Arterial Life Cycle Program presented to the Transportation Policy Committee
	25	Draft FY2009 Arterial Life Cycle Program presented to the Regional Council for approval
July	1	Start of Fiscal Year 2009

* Dates are subject to change

This is the eighth Status Report for the Arterial Life Cycle Program (ALCP). Semi-annually, MAG staff will provide member agencies with an update on the projects in the ALCP. This report and all other ALCP information are available online at <http://www.mag.maricopa.gov/project.cms?item=5034>.

TABLE 3
ARTERIAL STREET LIFE CYCLE PROGRAM
October 2007 - March 2008, Project Status of Projects Underway
(2007 and Year of Expenditure, Dollars in Millions, Consistent with the FY08 - February 27, 2008 ALCP)

Lead Agency & Facility	Project Requirement Completed PO = Project Overview PA = Project Agreement	Status S=Study, P=Pre-Design, D=Design, R=ROW, C=Const, C/O=Closed out	Regional Funding Reimbursements			Total Expenditures (Exp.)		FY(s) for Reimb.	FY for Final Constr.	Other Project Information
			Programmed Reimb. FY08	Estimated Future Reimb. FY2009- 2026 (2007\$)	Reimb. To Date	Exp. through FY 2008 (YOE\$)	Estimated Future Exp. FY 2009-2026 (2007\$)			
CHANDLER										
Chandler Blvd/Alma School: Intersection Improvements	PO	D	0.34	3.242				2008-2010	2010	
Chandler Blvd. at Dobson Rd.	PO, PA	C	3.565		0.017	0.428	7.669	2007-2008	2008	The study is 100% complete and design is underway.
Gilbert Rd: Loop 202 to Queen Creek Rd.	PO, PA	D, R		6.533			11.874	2021	2008	This segment has been advanced. Design and ROW will begin in FY07.
Queen Creek Rd: Arizona Ave. to McQueen Rd.	PO, PA	C		4.164			9.597	2012	2008	
Queen Creek Rd: McQueen Rd to Lindsay Rd		D		11.542				2011-2012	2010	
Ray at Alma School Rd.	PO, PA	D, R	2.144	1.438			9.709	2008-2009	2009	
FOUNTAIN HILLS										
Shea Blvd: Palisades Blvd to Saguaro Blvd		D	0.809	4.969				2008-2010	2010	
GILBERT										
Guadalupe/Power: Intersection Improvements		D		3.582				2010	2010	
Power Rd at Pecos: Intersection Improvement	PO	D, R	5.138			1.000	7.700	2008	2008	
Val Vista Rd: Warner Rd. to Pecos Rd.	PO, PA	C/O	3.582	3.351	7.046	15.271		2007-2008, 2014	2006	Project Complete
Warner Rd. at Cooper Rd.	PO, PA	R, C	3.582					2007-2008	2008	
MARICOPA COUNTY										
Dobson Rd, Gilbert Rd, McKellips Rd: Bridge over Salt River		S		44.261				2010-2011, 2015	2012	Three ALCP Bridge Projects are being studied together.
El Mirage Rd: Bell Rd to Beardsley		D, R		15.662				2016-2018	2011	
El Mirage Rd: Beardsley to Loop 303		D, R		2.945				2016	2012	
El Mirage Rd: Thunderbird Rd to Bell Rd	PO	D	0.414	19.925		0.591	70.948	2008-2015	2015	Administrative Modification reduced reimbursement by \$1000
Northern Ave: Dysart Rd. to SR-303L (Phase 1)		P, D, R	19.666	38.116			104.400	2007-2011	2011	

TABLE 3 - Continued
ARTERIAL STREET LIFE CYCLE PROGRAM
October 2007 - March 2008, Project Status of Projects Underway
(2007 and Year of Expenditure, Dollars in Millions, Consistent with the FY08 - February 27, 2008 ALCP)

Lead Agency & Facility	Project Requirement Completed PO = Project Overview PA = Project Agreement	Status S=Study, P=Pre-Design, D=Design, R=ROW, C=Const, C/O=Closed out	Regional Funding Reimbursements			Total Expenditures (Exp.)		FY(s) for Reimb.	FY for Final Constr.	Other Project Information
			Programmed Reimb. FY08	Estimated Future Reimb. FY2009- 2026 (2007\$)	Reimb. To Date	Exp. through FY 2008 (YOE\$)	Estimated Future Exp. FY 2009-2026 (2007\$)			
M.C./MESA										
Power Rd: East Maricopa Floodway (EMF) to Galveston		D, R	1.416	8.318				2008-2009	2009	
Power Rd: Baseline Rd to East Maricopa Floodway (EMF)	PO, PA	D,R,C	7.485				15.254	2008	2009	
MESA										
Broadway Rd: Dobson Rd. to Country Club Dr.	PO, PA	D	1.453	5.596	0.080	0.115	14.962	2008-2010	2010	Studies 100% Complete
Country Club Dr. at University Dr.	PO, PA	D, R		2.658			6.995	2017	2009	
Dobson Rd. at Guadalupe Rd.	PO, PA	D, R	0.144	2.514	0.106	0.152	5.760	2008-2009	2009	Design 60% Complete
Gilbert Rd at University Dr.	PO, PA	C		2.658			8.100	2021	2009	
Greenfield Rd: Baseline Rd. to Southern	PO, PA	R, C	1.050	3.941	0.455	0.650	7.165	2008-2009	2009	Design 90% Complete; ROW 30% Complete
McKellips Rd: McKellips/Lindsay Intersection Improvement	PO, PA	D	0.403	5.652	0.043	0.060	8.385	2008-2010	2010	Design 15% Complete
Mesa Dr: Southern to US 60	PO, PA	D	1.303	6.774	0.044	0.063	21.650	2008-2010	2010	Studies 75% Complete
McKellips/Greenfield, McKellips/Higley, and McKellips/Val Vista Intersection Improvements	PO, PA	P	0.119	8.215	0.119	0.170	11.347	2008, 2011-2013	2013	Studies 100% Complete; Design 10% Complete
Southern Ave: Country Club Dr at Stapley	PO, PA	P	0.119	12.037	0.119	0.170	16.630	2008-2011	2011	Studies 100% Complete
Thomas Rd: Gilbert Rd to Val Vista Dr		D	1.684	3.632			7.269	2008-2009	2009	
PEORIA										
Beardsley Road Project	PO, PA	C		22.073			30.700	2011-2012	2009	
Happy Valley Rd: Lake Pleasant Pkwy to Terramar Blvd	PO, PA	C		6.549			47.200	2021	2008	
PHOENIX										
Happy Valley Rd: I-17 to 35th Avenue	PO, PA	C/O		5.439		7.648		2022	2005	Project Complete
Happy Valley Rd: 35th Avenue to 43rd		D		4.045			2.738	2022	2011	

TABLE 3 - Continued
ARTERIAL STREET LIFE CYCLE PROGRAM
October 2007 - March 2008, Project Status of Projects Underway
(2007 and Year of Expenditure, Dollars in Millions, Consistent with the FY08 - February 27, 2008 ALCP)

Lead Agency & Facility	Project Requirement Completed PO = Project Overview PA = Project Agreement	Status S=Study, P=Pre-Design, D=Design, R=ROW, C=Const, C/O=Closed out	Regional Funding Reimbursements			Total Expenditures (Exp.)		FY(s) for Reimb.	FY for Final Constr.	Other Project Information
			Programmed Reimb. FY08	Estimated Future Reimb. FY2009- 2026 (2007\$)	Reimb. To Date	Exp. through FY 2008 (YOE\$)	Estimated Future Exp. FY 2009-2026 (2007\$)			
SCOTTSDALE										
SR-101L North Frontage Rd: Hayden to Scottsdale Rd	PO, PA	C	6.707		1.972	2.817	5.912	2008	2008	Design 100% Complete; Construction 50% Complete
SR-101L North Frontage Rd: Pima Rd/Princess Dr to Hayden		P, D, R	1.233	14.135				2008-2009	2009	
SR-101L South Frontage Rd: Hayden to Pima		P, D	0.705	12.470				2008-2010	2010	
Pima Rd: McKellips to Via Linda		P		29.123				2009-2011	2011	
Pima Rd: Thompson Peak Parkway to Pinnacle Peak		C		12.959				2011	2008	
Shea at 90th/92nd/96th Intersection Improvements	PO	C/O		3.500				2021	2006	Project Complete; Project consolidated to include 3 previous intersection improvement projects
Shea at Via Linda (Phase I)	PO	C/O		0.945				2021-2022	2006	Project Complete
Shea at Mayo Blvd/134th St	PO	C/O		0.280				2021	2007	Project Complete

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

May 13, 2008

SUBJECT:

Interim Closeout of the Federal Fiscal Year 2008 MAG Federally Funded Program

SUMMARY:

By May 6, 2008, member agencies submitted requests to defer or delete federal funds from a project for approximately \$37.2 million. With the requested deferred federal funds, the amount of federal funds remaining to be obligated is \$26.0 million. MAG is recommending that \$21 million of the \$25.2 million be preserved and carried forward to federal fiscal year (FFY) 2009 to fiscally balance the Arterial Life Cycle Program (ALCP). As a result, the amount of funds available during the interim closeout is approximately \$5.0 million. The amount available for FFY 2008 Closeout may change since member agencies are still submitting deferral notification. Any changes will be provided to the Committee in the next few months. The deadline for member agencies to submit requests for projects that can utilize these funds by the end of the federal fiscal year was April 18, 2008. For additional information, please see the attached memorandum and table.

At the Transportation Review Committee (TRC) on April 24, 2008, there was extensive discussion about adopting additional guidelines for the FFY 2008 Closeout. Current guidelines for the year end closeout process were approved by the Regional Council in 1995 and were slightly revised in 1996 and 2001. In the past year, there have been three working group meetings regarding MAG Federal Fund Programming Principles, which includes the Closeout process and priorities. The TRC members did not recommend any additional guidelines for the FFY 2008 Closeout, but will continue to analyze the Draft MAG Federal Fund Programming Principles as they affect the Closeout process in the future.

PUBLIC INPUT:

There was no public comment at the April 24, 2008 Transportation Review Committee meeting. This item is on the May 14, 2008 MAG Management Committee agenda where an opportunity is provided for the public to comment.

PROS & CONS:

PROS: Approval of these recommendations will allow for additional and accelerated transportation projects to be funded in the MAG region.

CONS: There is no guarantee that sufficient funds will be available in the following fiscal year to cover any or all of the deferred projects. Uncertainty over the reauthorization of the federal legislation makes this problem more acute.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: Action to close out the FFY 2008 MAG federally funded program is needed to ensure that all MAG federal funds are fully used in a timely and equitable manner. These actions may include any necessary amendments or administrative adjustments to the FY 2008-2012 MAG TIP

and the FY 2008 and FY 2009 MAG Unified Planning Work Programs and Annual Budgets to allow the projects to proceed.

POLICY: Previously adopted MAG policies on the allocation of uncommitted and redistributed federal funds to projects have been followed.

ACTION NEEDED:

Recommend approval of a list of projects to be carried forward from FFY 2008 to FFY 2009 or later and approval of a list of projects requesting removal of federal funds.

PRIOR COMMITTEE ACTIONS:

Management Committee: This item is on the May 14, 2008 MAG Management Committee agenda. An update will be provided at the Transportation Policy Committee.

Transportation Review Committee: On April 24, 2008, the TRC unanimously recommended approval of the list of projects to be carried forward from FFY 2008 to FFY 2009 or later and approval of the list of projects requesting removal of federal funds.

MEMBERS ATTENDING

Phoenix: Tom Callow	* Litchfield Park: Mike Cartsonis
ADOT: Kwi-Sung Kang for Floyd Roehrich	Maricopa County: John Hauskins
Avondale: Janeen Gaskins for David Fitzhugh	Mesa: Brent Stoddard for Scott Butler
Buckeye: Scott Lowe	Paradise Valley: Robert M. Cicarelli
Chandler: Patrice Kraus	Peoria: David Moody
El Mirage: Lance Calvert	* Queen Creek: Mark Young
* Fountain Hills: Randy Harrel	RPTA: Bryan Jungwirth
* Gila Bend: Lynn Farmer	Scottsdale: Dave Meinhart for Mary O'Connor
* Gila River: David White	Surprise: Randy Overmyer
Gilbert: Tami Ryall	Tempe: Carlos De Leon
Glendale: Terry Johnson	Valley Metro Rail: John Farry
Goodyear: Cato Esquivel	Youngtown: Lloyce Robinson
Guadalupe: Jim Ricker	

EX-OFFICIO MEMBERS ATTENDING

* Regional Bicycle Task Force: Jim Hash	* Pedestrian Working Group: Brandon Forrey
* Street Committee: Darryl Crossman	Transportation Safety Committee: Kerry Wilcox
* ITS Committee: Mike Mah	

* Those members neither present nor represented by proxy.

+ - Attended by Videoconference # - Attended by Audioconference

CONTACT PERSON:

Eileen Yazzie, (602) 254-6300.

**MAG FFY08 Interim Closeout - Project Deferrals and Deletion of Federal Funds
Transportation Policy Committee**

Defer or Delete	City	ID#	TRACS #	Location	Type of Work	Mode	Fed Fund Amount	Funding Type	Deferral Year	Has this been deferred before?	# of times deferred before	Total, including this year
DEFER												
Defer	Buckeye	BKY07-703		Various Locations: Yuma Rd, Miller Rd	Pave Dirt Roads	AQ or TDM	\$ 42,350	CMAQ	2009	No	0	1
Defer	Buckeye	BKY07-704		Various Locations: MC-85/Monroe, Southern Ave, Apache Rd	Pave Dirt Shoulders	AQ or TDM	\$ 113,000	CMAQ	2009	No	0	1
Defer	Cave Creek	CVK07-601	SS68601C	Townwide	Pave Dirt Road Program	AQ or TDM	\$ 250,000	CMAQ	2009	Yes	1	2
Defer	Chandler	CHN06-214	SS62503D & 01C	Citywide	Install Chandler Fire/Police Department signal system integration and variable message signs	ITS	\$ 377,200	CMAQ	2009	Yes	2	3
Defer	Chandler	CHN07-601		Commonwealth Ave: Hamilton St. to McQueen Rd	Pave dirt road	AQ or TDM	\$ 325,000	CMAQ	2009	Yes	1	2
Defer	Chandler	CHN11-710		Western Canal, Bike path at Dobson Rd, Alma School Rd and Arizona Ave	Install three pedestrian actuated crossing signals	Bike & Ped	\$ 271,000	CMAQ	2009	No	0	1
Defer	Fountain Hills	FTH07-301	SS64601C	Shea Boulevard: Palisades Blvd to Fountain Hills Blvd	Widen for third (westbound) climbing lane and bicycle lane	Street	\$ 1,076,000	STP-MAG	2009	Yes	1	2
Defer	Ft. McDowell	FTM07-601C		Communitywide	Pave dirt roads program - Construction	AQ or TDM	\$ 475,000	CMAQ	2009	Yes	1	2
Defer	Glendale	GLN06-201	SS69001C	Bell Road at Skunk Creek (between 67th and 75th Avenues)	Widen existing bridge to provide pedestrian and bicycle access across bridge.	Bike & Ped	\$ 424,350	CMAQ	2010	Yes	1	2
Defer	Glendale	GLN07-779	SS69501C	Litchfield Road, Olive Avenue, Greenway Road, 83rd Avenue, 75th Avenue	Pave Dirt Shoulders	AQ or TDM	\$ 133,035	CMAQ	2010	No	0	1
Defer	Glendale	GLN08-605	SS70001C	Glendale Ave: Loop 101 to Luke AFB	Pave Access points	AQ or TDM	\$ 63,000	CMAQ	2010	No	0	1
Defer	Goodyear	GDY07-302	SS55701C	Various Locations (Goodyear Pave Dirt Road Program)	Pave dirt road	AQ or TDM	\$ 449,600	CMAQ	2009	Yes	1	2
Defer	Guadalupe	GDL05-202		Guadalupe Rd: Highline Canal to Calle Bella Vista	Add left and right turn lanes, curb, gutter, sidewalks, frontage road, bus stops and cross walks	Street	\$ 500,000	CMAQ	2009	Yes	3	4
Defer	Litchfield Park	LPK05-101C	SS 607 01C	Litchfield Road Bypass at Wigwam Boulevard	Construct Bicycle Underpass	Bicycle	\$ 886,420	CMAQ	2009	yes	3	4
Defer	Maricopa County	MMA120-06D		Northern Pkwy: US-60 (Grand Ave) to SR-303	Pre-design and design of roadway widening	Street	\$ 3,582,000	STP-MAG	2009	Yes	2	3
Defer	Maricopa County	MMA120-08RW1		Northern Pkwy: Dysart Rd to SR-303	Acquire right-of-way for roadway widening	Street	\$ 16,084,000	STP-MAG	2009	Yes	1	2
Defer	Mesa	MES08-603		Longmore: Broadway Rd to Main Street (EVIT)	Design and construct bicycle path to connect Broadway Rd. with the Light Rail Station at Main Street and Sycamore	Bicycle	\$ 1,157,739	CMAQ	2010	No	0	1
Defer	Mesa	MES08-604		Loop 202 (Red Mtn Fwy)	Design and install fiber optic and devices and complete connections at network hubs	ITS	\$ 838,700	CMAQ	2010	No	0	1
Defer	Mesa	MES08-807		ITS Signal Conversions-Phase 3 (Mesa Dr. and Main Street)	Expand fiber-optic network and link 11 traffic signals to the Mesa TMC	ITS	\$ 646,773	CMAQ	2009	No	0	1
Defer	Peoria	PEO08-602	SS65701C	84th Ave: Peoria Ave to Monroe St	Design & Construct at grade pedestrian improvements	Ped	\$ 1,164,057	CMAQ	2009	Yes	1	2
Defer	Peoria	PEO06-202C	SS603 01 C	91st and Olive Avenue	Intersection Widening	Street	\$ 800,000.00	CMAQ	2009	Yes	1	2

Defer or Delete	City	ID#	TRACS #	Location	Type of Work	Mode	Fed Fund Amount	Funding Type	Deferral Year	Has this been deferred before?	# of times deferred before	Total, including this year
Defer	Phoenix	PHX07-317	SS45203D	Downtown Phoenix Parking Management System	Design Parking Management System (Phase 3)	ITS	\$ 400,000	CMAQ	2009	Yes	1	2
Defer	Phoenix	PHX07-740	SS694-03D	Various Locations	Pave Dirt Roads	AQ or TDM	\$ 1,408,135	CMAQ	2009	No	1	2
Defer	Phoenix	PHX07-741	SS696-03D	Various Locations	Pave Dirt Shoulders	AQ or TDM	\$ 1,204,684	CMAQ	2009	No	0	1
Defer	Queen Creek	QNC07-746	QCR-0(203)	Hunt Highway: Power Rd to Ellsworth	Pave Dirt Shoulders	AQ or TDM	\$ 204,893	CMAQ	2009	No	0	1
Defer	Queen Creek	QNC08-803	SS68001C	Queen Creek Town Center	Construct ITS Infrastructure and Traffic Management System	ITS	\$ 550,221	CMAQ	2009	No	0	1
Defer	Queen Creek	QNC07-745	SS70201C	Chandler Heights Road: Power Road to Hawes Road	Pave Dirt Shoulders	AQ or TDM	\$ 111,691	CMAQ	2009	No	0	1
Defer	Scottsdale	SCT07-606		Dynamite Blvd: Pima Rd to Alma School	Install vertical curb and gutter	AQ or TDM	\$ 500,000	CMAQ	2009	No	0	1
Defer	Tempe	TMP08-602	SS64001C	College Avenue Pedestrian Improvements	Construct pedestrian improvements	Ped	\$ 1,550,000	CMAQ	2009	No	0	1
DELETE FEDERAL FUNDS												
Delete	Fountain Hills	FTH08-601	SS66001C	Saguaro Blvd: Colony Dr. to Desert Vista	Pave existing dirt alleys (east side)	AQ or TDM	\$ 133,210	CMAQ	Delete	Project will be completed with local funds.		
Delete	Goodyear	GDY07-304		Yuma Rd at Bullard Wash	Construct bridge and approaches	Street	\$ 746,000	STP-MAG	Delete	Project will be completed with local funds.		
Delete	Goodyear	GDY07-301		Bullard Ave: Yuma Rd to Van Buren St	Pave dirt road	AQ or TDM	\$ 438,000	CMAQ	Delete	Project will be completed with local funds.		
Delete	Queen Creek	QNC06-201		Ellsworth at Ocotillo Rd.	Reconstruct intersection to add left turn lanes, curb, gutter, sidewalk and traffic signals	Street	\$ 300,000	CMAQ	Delete	This project is included in an Improvement District Project.		

Total FFY08 Project Deferrals and Deletion of Federal Funds	\$ 37,206,058
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MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

May 13, 2008

SUBJECT:

Fiscal Year 2008 - Arterial Life Cycle Program Regional Area Road Fund Closeout

SUMMARY:

This is the first time the Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout has occurred. A revision to the ALCP Policies and Procedures was approved by Regional Council on December 19, 2007. This revision established Section 260, the RARF Closeout procedures, project eligibility, and the allocation process of available closeout funds. A copy of this section of the ALCP Policies and Procedures is in the attachment for this agenda item.

The ALCP RARF Closeout process begins with a fiscal analysis of the ALCP and proposed ALCP RARF Closeout options. The ALCP RARF Closeout options are connected to eligible completed projects and the priorities established in the ALCP Policies and Procedures. The allocation of ALCP RARF Closeout funds is prioritized by: projects scheduled for reimbursement in the next fiscal year, and all other projects according to the chronological order of the programmed reimbursement.

An important part of the Closeout process is the financial analysis done by MAG to determine the impact of proposed ALCP RARF Closeout options. This is explained in the memorandum for this agenda item.

PUBLIC INPUT:

There was no public comment at the April 24, 2008 Transportation Review Committee. This item is on the May 14, 2008 MAG Management Committee agenda where an opportunity is provided for the public to comment.

PROS & CONS:

PROS: Once the recommended projects are approved for reimbursements, \$14.978 million of ALCP RARF funds can be reimbursed in FY 2008. In addition, the ALCP RARF Closeout aids in the fiscal management of the life cycle program by recognizing available funds for eligible projects

CONS: If not approved, reimbursements will not be made and the balance of ALCP RARF funds in the account would remain the same.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: MAG will modify the ALCP for the advancement of reimbursements.

POLICY: A.R.S. 28-6352 (B) required that MAG performs life cycle management for the arterial street component of the RTP.

ACTION NEEDED:

Recommend advancing reimbursements from 2012, 2013, and 2014 to 2008 for the FY 2008 Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout for ALCP Projects: Lake

Pleasant Parkway, Arizona Avenue at Chandler Boulevard, and Val Vista: Warner to Pecos, totaling \$14.978 million, and amend the FY 2008 ALCP and 2007 RTP Update as necessary.

PRIOR COMMITTEE ACTIONS:

Management Committee: This item is on the May 14, 2008 MAG Management Committee agenda. An update will be provided at the Transportation Policy Committee meeting.

On April 24, 2008, the Transportation Review Committee voted to advance reimbursements from 2012, 2013, and 2014 to 2008 for the FY 2008 ALCP RARF Closeout for ALCP Projects: Lake Pleasant Parkway, Arizona Avenue at Chandler Boulevard, and Val Vista: Warner to Pecos, totaling \$14.978 million, and amend the FY 2008 ALCP, and 2007 RTP Update as necessary.

MEMBERS ATTENDING

Phoenix: Tom Callow	* Litchfield Park: Mike Cartsonis
ADOT: Kwi-Sung Kang for Floyd Roehrich	Maricopa County: John Hauskins
Avondale: Janeen Gaskins for David Fitzhugh	Mesa: Brent Stoddard for Scott Butler
Buckeye: Scott Lowe	Paradise Valley: Robert M. Cicarelli
Chandler: Patrice Kraus	Peoria: David Moody
El Mirage: Lance Calvert	* Queen Creek: Mark Young
* Fountain Hills: Randy Harrel	RPTA: Bryan Jungwirth
* Gila Bend: Lynn Farmer	Scottsdale: Dave Meinhart for Mary O'Connor
* Gila River: David White	Surprise: Randy Overmyer
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Goodyear: Cato Esquivel	Youngtown: Lloyce Robinson
Guadalupe: Jim Ricker	

EX-OFFICIO MEMBERS ATTENDING

* Regional Bicycle Task Force: Jim Hash	* Pedestrian Working Group: Brandon Forrey
* Street Committee: Darryl Crossman	Transportation Safety Committee: Kerry Wilcox
* ITS Committee: Mike Mah	

* Those members neither present nor represented by proxy.

+ - Attended by Videoconference # - Attended by Audioconference

CONTACT PERSON:

Eileen Yazzie, (602) 254-6300.

May 13, 2008

TO: Members of MAG Transportation Policy Committee

FROM: Eileen O. Yazzie, Transportation Programming Manager

SUBJECT: ARTERIAL LIFE CYCLE PROGRAM (ALCP) - REGIONAL AREA ROAD FUND (RARF) 2008 CLOSEOUT PROCESS

The *Arterial Life Cycle Program (ALCP) Policies and Procedures* establish the ALCP RARF Closeout process, which begins with a fiscal analysis of the ALCP and proposed ALCP RARF Closeout options. The ALCP RARF Closeout options are connected to eligible completed projects and the priorities established in the *ALCP Policies and Procedures*. The allocation of ALCP RARF Closeout funds is prioritized by: projects scheduled for reimbursement in the next fiscal year, and all other Projects according to the chronological order of the programmed reimbursement.

BACKGROUND

In October 2007, the Arterial Life Cycle Program (ALCP) Working Group met with MAG Staff to collaborate on revisions to the *ALCP Policies and Procedures* (Policies). Through this process, the ALCP RARF Closeout procedures were incorporated into the Draft Policies. On December 19, 2007, the MAG Regional Council approved the updated Policies. Section 260 of the Policies establishes the RARF Closeout procedures, project eligibility, and the allocation process of available closeout funds. A copy of this section has been attached for your review.

MAG Staff performed a detailed financial analysis to determine the impact of proposed ALCP RARF Closeout options. As part of the financial analysis, MAG Staff reviewed:

- Eligible projects for the ALCP RARF Closeout
- The FY2008 programmed vs. actual project expenditures
- Historical trends in RARF revenue collection
- The FY2008 and Draft FY2009 ALCP bonding program
- The impact of the various Closeout reimbursement scenarios on the Draft FY2009 life cycle budget and bonding program
- Programmed project expenditures for FY2009 in the Draft FY2009 ALCP

After reviewing the output of the financial analysis, MAG staff recommended that three eligible projects are reimbursed in the FY2008 ALCP Regional Area Road Funds (RARF) Closeout: Lake Pleasant Parkway from Union Hills Drive to Dynamite Road for \$8.044 million, Arizona Avenue at Chandler Boulevard Intersection Improvements for \$3.582 million, and Val Vista Dr from Warner to Pecos Rd for \$3.352 million, for a total of \$14.978 million. MAG staff does not recommend reimbursing additional projects due to the negative impacts it would create on the life cycle program. The attached table summarizes the list of eligible projects in chronological order of programmed reimbursements and completed fiscal year of work. The recommended projects are highlighted.

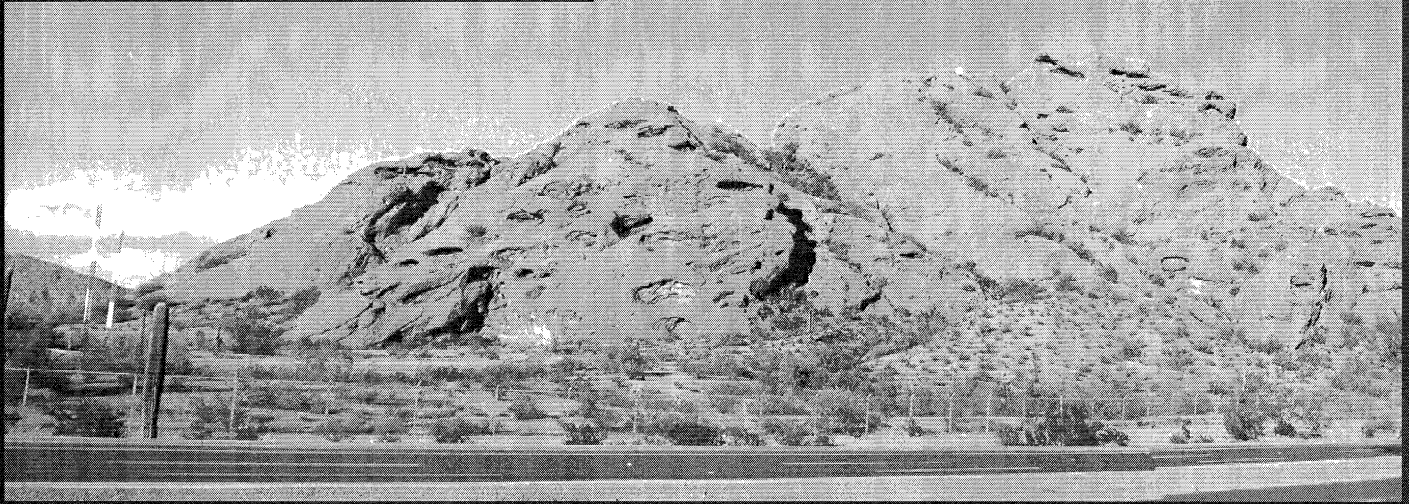
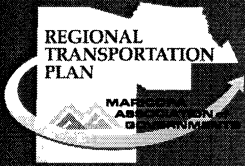
FY2008 Regional Area Road Fund (RARF) Closeout Eligible Projects

Eligible projects are in consecutive order based on the fiscal year the project is programmed for reimbursement

Fiscal Year for Reimb.	RTP ID	Lead Agency	Project Name	Fiscal Year for Work	Amount 2007\$ (millions)	Completed Project Requirements	Recommended for Reimbursement to be Advanced to FY08
2012	ACI-LKP-10-03-B	Peoria	Lake Pleasant Pkwy: Union Hills to Dynamite Rd	2006	4.022	PO, PA	Yes
2013	ACI-LKP-10-03-B	Peoria	Lake Pleasant Pkwy: Union Hills to Dynamite Rd	2006	4.022	PO, PA	Yes
2014	All-ARZ-30-03	Chandler	Arizona Ave/Chandler Blvd: Intersection Improvements	2006	3.582	PO, PA, PRR	Yes
2014	ACI-VAL-20-03	Gilbert	Val Vista Dr: Warner Rd to Pecos Rd	2006	3.352	PO, PA, PRR	Yes
2021	All-ARZ-10-03	Chandler	Arizona Ave/Elliott Rd Intersection Improvements	2006	3.582	PO, PA	No
2021	ACI-SHA-20-03-C	Scottsdale	Shea Blvd at Via Linda (Phase1)	2006	0.945	PO	No
2021	ACI-SHA-20-03-F	Scottsdale	Shea Blvd at Mayo/134th St	2006	0.280	PO	No
2021	ACI-SHA-20-03-A	Scottsdale	Shea Blvd at 90th/92nd/96th Streets	2007	3.500	PO	No
2022	ACI-HPV-20-03-A	Phoenix	Happy Valley: I-17 to 35th Ave	2005	5.439	PO, PA	No

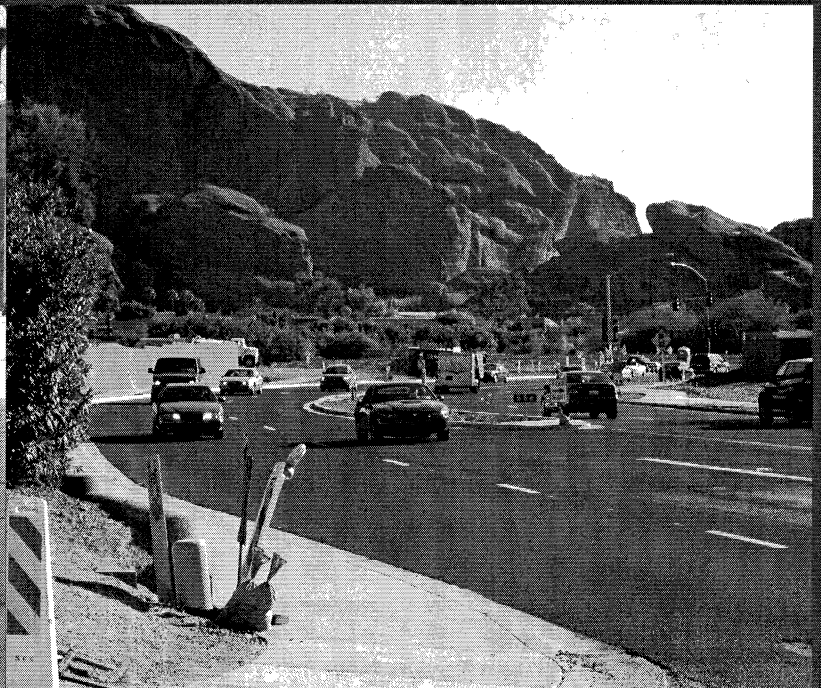
LEGEND

PA	Project Agreement
PO	Project Overview
PRR	Project Reimbursement Request
Reimb.	Reimbursement



ARTERIAL LIFE CYCLE PROGRAM POLICIES AND PROCEDURES

DECEMBER 19, 2007



1. Administrative adjustments do not require a Program or Project amendment because the adjustment does not qualify as a Project Update (Section 220) and does not cause a negative fiscal impact to the current fiscal year.
 2. Regional reimbursement budgets cannot be moved from a later fiscal year to an earlier fiscal year in an administrative adjustment. This would require an amendment.
- B. An administrative adjustment is needed when:
1. Project expenditures for a Project work phase or a Project segment are lower than the estimate, causing the 70% regional reimbursement to be less than the amount programmed in the current ALCP.
 2. The remaining regional reimbursement funds may be moved within the original Project, to another work phase or a Project Segment that is programmed in that fiscal year or a later fiscal year.
- C. At that time, the ALCP and Project budgets will be adjusted to reflect the remaining Project funds.
- D. Administrative Adjustments may occur each fiscal quarter. Changes will be reported in the ALCP Status Report, and the ALCP will be reprinted.

SECTION 260: ALCP RARF CLOSEOUT

- A. Annually, MAG Staff will determine the availability of RARF funds to be used for the ALCP RARF Closeout by April 15th.
1. MAG Staff will demonstrate the fiscal constraint of the ALCP with proposed ALCP RARF Closeout options.
 2. A Project or Project segment in the ALCP may not be adversely impacted, delayed, reduced or removed as a result of the reimbursement of RARF funds in the Closeout process to another Project, portion or segment.
 3. Lead Agencies and other agency(ies)/jurisdiction(s) listed in a Project Agreement that receive RARF Closeout funds will not be liable to reimburse the RARF funds to the Program if a Program deficit occurs in the future.
- B. The ALCP RARF Closeout Process will begin at the April TRC and continue through the MAG Committee process in May, one month before the annual update of the ALCP.
- C. To be considered for reimbursement with RARF Closeout funds, a Project must have completed the following Project Requirements: Project Overview, Project Agreement, and Project Reimbursement Request.
1. All three requirements must be completed and accepted by June 1st.
 2. The Project or Project segment must be completed/closed out.
- D. The determination and allocation of ALCP RARF Closeout funds for eligible completed projects will be made according to the following priorities (in sequential order):
1. Projects scheduled for reimbursement in the next fiscal year;
 2. All other Projects according to the chronological order of the programmed reimbursements

SECTION 270: USE OF SURPLUS OR DEFICIT PROGRAM FUNDS

- A. If a surplus Program funds occurs, existing Projects may be accelerated. Any acceleration will occur according to priority order of the ALCP.
1. For Projects to be accelerated, matching local funds must be committed.

MARICOPA ASSOCIATION OF GOVERNMENTS INFORMATION SUMMARY... for your review

DATE:

May 13, 2008

SUBJECT:

Statewide Transportation Survey

SUMMARY:

On December 19, 2007, the MAG Regional Council recommended that a public attitude survey be conducted. The Regional Council recommended that the FY 2008 MAG Unified Planning Work Program and Annual Budget be amended to include \$55,000 for the survey. In February 2008, the Transportation Policy Committee recommended the selection of WestGroup Research, Inc., to conduct the survey. The Regional Council approved the selection and in March 2008, MAG contracted with WestGroup to conduct the survey, including three focus groups and a statistically valid, random-sample statewide telephone survey of 1,200 likely voters.

The purpose of the survey is to better understand public attitudes regarding transportation needs, potential solutions, and timing. The scientific household telephone survey was designed to explore citizen attitudes regarding transportation issues and potential solutions on a regional and statewide basis in addressing mobility needs. In March 2008, three focus groups were held in Maricopa, Pima, and Yavapai counties to explore citizen attitudes and to provide input into the development of the polling instrument. A workshop was held on April 16, 2008, to receive input from the TPC to further refine the polling instrument.

A summary of the focus group findings was presented to the Transportation Policy Committee and the MAG Regional Council during a joint meeting April 23, 2008. The telephone portion of the Statewide Transportation Survey was conducted from April 22-May 9, 2008. A total of 1,224 telephone interviews were completed.

While results of the survey are still being analyzed, a summary of initial topline findings will be presented.

PUBLIC INPUT:

No public input was received regarding the amended budget or the consultant selection. Public input was received regarding transportation issues during the three focus groups held on March 23, 24, and 25, 2008. Additional public input was received from 1,224 telephone respondents of the Statewide Transportation Survey from April 22-May 9, 2008.

PROS & CONS:

PROS: The statewide transportation survey will provide important public input that will help inform statewide framework studies regarding public attitudes on transportation priorities, future demand, and potential financing strategies.

CONS: None.

TECHNICAL & POLICY IMPLICATIONS:

TECHNICAL: The consultant will tabulate survey results, key findings, detailed findings, and conclusions. Recommendations from this survey will provide transportation planning guidance to the statewide framework studies being conducted by MAG and ADOT.

POLICY: The scientific survey represents an important opportunity for the public to provide information regarding citizens' transportation needs and priorities, which will provide valuable assistance in setting policy direction for an anticipated statewide transportation initiative.

ACTION NEEDED:

Information and discussion.

PRIOR COMMITTEE ACTIONS:

On February 27, 2008, The MAG Regional Council approved the selection of WestGroup Research, Inc., to conduct the Statewide Transportation Survey.

MEMBERS ATTENDING

Mayor James M. Cavanaugh, Goodyear,
Chair
* Mayor Mary Manross, Scottsdale, Vice Chair
* Councilmember Robin Barker, Apache
Junction
Mayor Marie Lopez Rogers, Avondale
+ Mayor Bobby Bryant, Buckeye
Mayor Wayne Fulcher, Carefree
Councilmember Dick Esser, Cave Creek
Mayor Boyd Dunn, Chandler
Mayor Fred Waterman, El Mirage
* President Clinton Pattea, Fort McDowell
Yavapai Nation
Councilmember Jay Schlum for
Mayor Wally Nichols, Fountain Hills
Mayor Fred Hull, Gila Bend
* Governor William Rhodes, Gila River Indian
Community
Mayor Steven Berman, Gilbert
* Mayor Elaine Scruggs, Glendale
Mayor Rebecca Jimenez, Guadalupe

Mayor Thomas Schoaf, Litchfield Park
Supervisor Max W. Wilson, Maricopa County
Vice Mayor Claudia Walters for Mayor
Keno Hawker, Mesa
Councilmember Brian Cooney for Mayor
Ed Winkler, Paradise Valley
Mayor Bob Barrett, Peoria
Vice Mayor Peggy Neely, Phoenix
Mayor Art Sanders, Queen Creek
* President Diane Enos, Salt River
Pima-Maricopa Indian Community
Mayor Lyn Truitt, Surprise
Mayor Hugh Hallman, Tempe
* Mayor Adolfo Gamez, Tolleson
Mayor Ron Badowski, Wickenburg
Mayor Michael LeVault, Youngtown
Felipe Zubia, State Transportation Board
* Vacant, State Transportation Board
* David Martin, Citizens Transportation
Oversight Committee

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

CONTACT PERSON:

Kelly Taft, MAG Communications Manager, (602) 254-6300.

APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

The undersigned intends to circulate and file an INITIATIVE or a REFERENDUM (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the MEASURE or CONSTITUTIONAL AMENDMENT (circle appropriate word) intended to be INITIATED or REFERRED (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

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Signature of Applicant

Martin L. Shultz

Printed Name of Applicant

PO BOX 53999

Address

Phoenix, AZ 85072

City State Zip

602-250-2864

Telephone Number

T.I.M.E. Initiative

Name of Organization (if any)

1001 N. 1st ST.

Address

Phoenix AZ 85004

City State Zip

602-256-9109

Telephone Number

JD Pruitt, Chair

Name of Officer and Title

2620 S. 55th ST

Address

Tempe AZ 85282

City State Zip

480-293-3000

Telephone Number

Martin Shultz

Name of Officer and Title

P.O. Box 53999

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Telephone Number

Date of Application May 8, 2008

Signatures Required 153,365

Deadline for Filing July 3, 2008

Serial Number Issued I-24-2008

FOR OFFICE USE ONLY

Revised 11/92

CF ID# 200810160

The T.I.M.E. Initiative will reduce congestion, offer modern transportation choices and preserve our spectacular open spaces by upgrading Arizona's statewide transportation system. The Initiative builds needed highways, freeways and roads; creates rail options for commuters and travelers; and protects our environment by creating better bike paths, walkways, and safer school routes. The plan imposes strict performance and accountability measures to ensure that money is being used efficiently and that the projects improve quality of life in tangible ways. These improvements to our transportation system are funded through a one cent adjustment to our statewide sales tax over 30 years.

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2008 MAY -8 AM ID: 42

OFFICIAL TITLE

An Initiative Measure

ADDING SECTIONS 28-304.01 AND 28-503.01, ARIZONA REVISED STATUTES; REPEALING SECTION 28-367, ARIZONA REVISED STATUTES; REPEALING TITLE 28, CHAPTER 22, ARIZONA REVISED STATUTES; AMENDING TITLE 28, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28; AMENDING TITLE 41, CHAPTER 23, ARTICLE 1 BY ADDING SECTION 41-2501.01; AMENDING TITLE 42, CHAPTER 5, ARTICLE 1 BY ADDING SECTIONS 42-5010.01 AND 42-5039; AMENDING TITLE 42, CHAPTER 5, ARTICLE 4 BY ADDING SECTION 42-5155.01; AMENDING TITLE 42, CHAPTER 5, ARTICLE 5 BY ADDING SECTION 42-5202.01; RELATING TO TRANSPORTATION IMPROVEMENTS.

Be it enacted by the People of the State of Arizona:

Section 1. Popular Title

This measure shall be known as the "Transportation and Infrastructure Moving Arizona's Economy ("TIME") Act."

Section 2. Intent

A. It is the intent of the voters to reduce traffic congestion, commute times and pollution by upgrading Arizona's statewide transportation system. All funds collected under the transportation improvement excise tax will build needed highways, local freeways, and roads; create rail options for commuters and travelers; enhance public transit; and protect our environment by helping communities create better bike paths, walkways, and safer school routes. It is also the intent of the voters to establish strict performance and accountability measures, ensure regional balance and establish a sunset on the funding mechanism. Arizona can only meet these future transportation needs by dedicating a funding source -- approved by Arizona voters -- to finance transportation projects that will enable our state to grow wisely, protect our unique quality of life and ensure that the state's economy is strong into the future. Therefore, the state's voters intend through this measure that the monies collected and expended pursuant to this enactment shall be used in addition to other monies and funding sources authorized by law for the construction, improvement and maintenance of Arizona's transportation priorities that are necessary to meet the economic and environmental needs of the people of the State of Arizona in the 21st century.

B. All funds collected and interest earned under the transportation improvement excise tax authorized by this act are exempt from the provisions of section 35-190 related to the lapsing of appropriations. Notwithstanding any other law, no funds collected under the transportation improvement excise tax, nor any fund balances thereof shall be subject to reversion by any act of the legislature.

Section 3. Title 28, chapter 2, article 1, Arizona Revised Statutes, is amended by adding section 28-304.01 to read:

28-304.01. Additional powers and duties of the board

IN ADDITION TO ITS OTHER POWERS, THE BOARD SHALL ALSO CONSIDER AND APPROVE PROJECTS AUTHORIZED BY CHAPTER 28 OF THIS TITLE.

Section 4. Repeal

Section 28-367 Arizona Revised Statutes, is repealed.

Section 5. Title 28, chapter 2, article 7 Arizona Revised Statutes, is amended by adding section 28-503.01 to read:

28-503.01. TIME funds performance based planning and programming

A. THE BOARD SHALL APPLY ITS PERFORMANCE BASED PLANNING AND PROGRAMMING PROCESSES TO EVALUATING THE PERFORMANCE OF EXPENDITURES FROM THE TIME FUNDS ESTABLISHED BY SECTION 28-9331.

B. THE DEPARTMENT WILL APPLY THE PERFORMANCE FACTORS AND WEIGHTS TO SELECT PROJECTS AND SERVICES PURSUANT TO CHAPTER 28 OF THIS TITLE.

Section 6. Repeal

Title 28, chapter 22, Arizona Revised Statutes, is repealed.

Section 7. Title 28, Arizona Revised Statutes, is amended by adding chapter 28, to read:

CHAPTER 28. Transportation and Infrastructure Moving Arizona's Economy Funds

ARTICLE 1. **GENERAL PROVISIONS**

28-9301. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "HIGHWAYS" MEANS THE STATE HIGHWAY SYSTEM, INCLUDING ANY INTERSTATE HIGHWAY, STATE HIGHWAYS, STATE ROUTES, ANY SECONDARY SYSTEM OF HIGHWAYS OR THE STREETS OF ANY LOCAL JURISDICTION THAT ARE NOT WITHIN THE STATE HIGHWAY SYSTEM.

2. "HIGHWAY TIME FUND" MEANS THE HIGHWAY TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY FUND WHICH WILL FUND THE INTERSTATE, HIGHWAY AND ROADWAY PURPOSES AS AUTHORIZED BY SECTION 28-9352, SUBSECTION A.

3. "INDIAN TRIBE" MEANS ONE OF THE FEDERALLY RECOGNIZED INDIAN TRIBES WITH LAND HELD IN TRUST BY THE FEDERAL GOVERNMENT LOCATED IN THE STATE OF ARIZONA.

4. "TIME FUNDS" AND THE "TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY FUNDS" MEANS THE HIGHWAY TIME FUND AND THE RAIL TIME FUND.

5. "RAIL TIME FUND" MEANS THE RAIL TRANSPORTATION AND INFRASTRUCTURE MOVING ARIZONA'S ECONOMY FUND WHICH WILL FUND THE CREATION OF STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES, STATE PUBLIC TRANSPORTATION SYSTEMS AND STATE PUBLIC TRANSPORTATION AS AUTHORIZED BY SECTION 28-9352, SUBSECTION B.

6. "STATE PUBLIC TRANSPORTATION" MEANS THE TRANSPORTATION OF PASSENGERS BY STATE-OWNED OR OPERATED MEANS ON SCHEDULED OR NON-SCHEDULED ROUTES BY MEANS OF A CONVEYANCE ON AN INDIVIDUAL PASSENGER FARE-PAYING BASIS, INCLUDING STATE-OWNED PASSENGER RAIL SYSTEMS.

7. "STATE PUBLIC TRANSPORTATION SYSTEM" MEANS PROPERTY, EQUIPMENT AND IMPROVEMENTS OF WHATEVER NATURE THAT ARE OWNED, LEASED, USED, CONSTRUCTED, MAINTAINED, CONTROLLED OR OPERATED TO PROVIDE STATE PUBLIC TRANSPORTATION.

8. "STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES" MEANS ALL REAL PROPERTY, INCLUDING LAND, IMPROVEMENTS, TRACKS, TERMINALS, STATIONS, GARAGES, YARDS, SHOPS, OFFICES AND STRUCTURES APPURTENANT THERETO, AND ALL EASEMENTS, AIR RIGHTS, LICENSES, PERMITS AND FRANCHISES, USED IN CONNECTION WITH THE STATE PUBLIC TRANSPORTATION SYSTEM.

ARTICLE 2. **STATE PUBLIC TRANSPORTATION**

28-9321. State public transportation

THE DIRECTOR SHALL ADMINISTER ALL STATE PUBLIC TRANSPORTATION SYSTEMS AND FACILITIES AND HAS THE FOLLOWING POWERS AND DUTIES AND MAY:

1. RECEIVE, ALLOCATE, CONTROL AND DISBURSE ALL MONIES DESIGNATED FOR STATE PUBLIC TRANSPORTATION SYSTEMS BY FEDERAL OR STATE LAW OR RULE.

2. NEGOTIATE AND ENTER INTO CONTRACTS ON BEHALF OF THIS STATE WITH THE UNITED STATES FOR FEDERALLY ASSISTED STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES AND FEDERALLY ASSISTED STATE PUBLIC TRANSPORTATION SYSTEMS.

3. ENTER INTO AGREEMENTS ON BEHALF OF THIS STATE WITH COUNTIES, CITIES, TOWNS, PUBLIC TRANSIT DISTRICTS, ANY OTHER POLITICAL SUBDIVISIONS, INDIAN TRIBES, OR PRIVATE RAIL OR SHIPPING COMPANIES, REGARDING THE DESIGN, CONSTRUCTION, OPERATION OR MAINTENANCE OF, OR OTHER MATTERS RELATED TO ANY STATE AND LOCAL PUBLIC TRANSPORTATION SYSTEM FACILITIES OR STATE AND LOCAL PUBLIC TRANSPORTATION SYSTEMS.

4. ENTER INTO CONTRACTS FOR THE DESIGN, CONSTRUCTION, OPERATION OR MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES OR STATE PUBLIC TRANSPORTATION SYSTEMS.

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5. ADOPT RULES FOR THE APPLICATION FOR AND THE EXPENDITURE OF ALL STATE PUBLIC TRANSPORTATION SYSTEM MONIES IN THE TIME FUNDS.

6. PLAN AND PROMOTE EFFICIENT PASSENGER RAIL TRANSPORTATION SERVICES AND SHALL:

a. MAINTAIN ADEQUATE PROGRAMS OF RESEARCH, PROMOTION AND DEVELOPMENT WITH PROVISIONS FOR PUBLIC PARTICIPATION.

b. TAKE ALL PRACTICAL STEPS TO IMPROVE THE QUALITY OF PASSENGER RAIL SERVICES IN ARIZONA.

7. DIRECT THE PREPARATION OF ALL PLANS AND SPECIFICATIONS FOR WORK ON STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES AND STATE PUBLIC TRANSPORTATION SYSTEMS.

8. NOTWITHSTANDING ANY OTHER LAW RELATING TO PUBLIC BIDDING OR OTHER PROCUREMENT PROCEDURES OR OTHER PROVISIONS OTHERWISE APPLICABLE TO PUBLIC WORKS, SERVICES OR UTILITIES, USE ANY PROJECT DELIVERY METHOD AND FORM OF PROCUREMENT PERMITTED UNDER TITLE 28.

9. PROVIDE FOR THE DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES AND STATE PUBLIC TRANSPORTATION SYSTEMS, INCLUDING THE PROCUREMENT OF CONTRACTS FOR SOME OR ALL OF SUCH SERVICES.

10. APPROVE PAYMENT FOR WORK DONE BY THE STATE ON OR IN CONNECTION WITH STATE PUBLIC TRANSPORTATION SYSTEMS, EXCEPT THAT THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL NOT ALLOW A CLAIM FOR WORK WITHOUT THE APPROVAL OF THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION OR THE DIRECTOR'S AUTHORIZED AND BONDED AGENT.

11. ENTER INTO AGREEMENTS ON BEHALF OF THIS STATE WITH RAILROADS FOR THE ACQUISITION AND USE OF RAILROAD CORRIDORS FOR STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES OR STATE PUBLIC TRANSPORTATION SYSTEMS TO THE EXTENT DEEMED BY THE DEPARTMENT TO BE IN THE STATE'S BEST INTERESTS AND AS PERMITTED BY LAW. THESE AGREEMENTS MAY PROVIDE FOR INDEMNIFICATION OF RAILROADS WITH RESPECT TO LIABILITY RESULTING FROM THE SHARED USE OF THE RAILROAD PROPERTY OR TRACKS ARISING FROM THE OPERATION OF STATE PUBLIC TRANSPORTATION FACILITIES OR STATE PUBLIC TRANSPORTATION SYSTEMS.

12. TAKE ALL OTHER ACTIONS OTHERWISE WITHIN THE POWER OF THE DIRECTOR GENERALLY THAT MAY BE NECESSARY TO ESTABLISH AND MAINTAIN SAFE AND WELL FUNCTIONING STATE PUBLIC TRANSPORTATION SYSTEMS.

28-9322. Land purchase, sale and condemnation

A. THE DIRECTOR MAY ACQUIRE, EITHER IN FEE OR A LESSER ESTATE OR INTEREST, REAL PROPERTY THAT THE DIRECTOR CONSIDERS NECESSARY FOR STATE PUBLIC TRANSPORTATION SYSTEM PURPOSES BY PURCHASE, DONATION, DEDICATION, EXCHANGE, CONDEMNATION OR OTHER LAWFUL MEANS WITH MONIES FROM THE HIGHWAY TIME FUND OR THE RAIL TIME FUND, AND SUCH ACQUISITION IS FOR TRANSPORTATION PURPOSES FOR THE PURPOSES OF SECTION 28-7092, SUBSECTION B.

B. PROPERTY ACQUIRED FOR STATE PUBLIC TRANSPORTATION PURPOSES INCLUDES LAND OR ANY INTEREST IN THE LAND NECESSARY FOR RIGHTS-OF-WAY, CAMPSITES, ROADSIDE REST AREAS, WATER OR MATERIAL NEEDED IN THE CONSTRUCTION, IMPROVEMENT OR MAINTENANCE OF STATE HIGHWAYS, AIRPORTS, RUNWAYS, TAXIWAYS, PUBLIC TRANSPORTATION FACILITIES OR OTHER PROPERTY UNDER THE JURISDICTION, POSSESSION OR CONTROL OF THE DEPARTMENT.

28-9323. Bonds payable from state transportation improvement excise taxes.

A. THE BOARD MAY ISSUE BONDS FROM TIME TO TIME SECURED BY A PLEDGE OF, AND PAYABLE FROM, ALL OR ANY PART OF MONIES IN THE HIGHWAY TIME FUND AND THE RAIL TIME FUND, BOTH ESTABLISHED BY CHAPTER 28, ARTICLE 3 OF THIS TITLE. SUCH BONDS SHALL

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BE AUTHORIZED BY RESOLUTION OF THE BOARD AND ISSUED IN THE SAME MANNER, AND ON THE SAME TERMS AND CONDITIONS, AS REGIONAL AREA ROAD FUND BONDS ISSUED BY THE BOARD PURSUANT TO CHAPTER 21, ARTICLE 2 OF THIS TITLE, AND THE PROVISIONS OF SUCH ARTICLE 2 SHALL APPLY TO SUCH BONDS, WITH THE FOLLOWING EXCEPTIONS:

1. THE PROCEEDS OF THE BONDS MAY BE USED BY THE DEPARTMENT FOR ANY LAWFUL PURPOSE FOR WHICH THE HIGHWAY TIME FUND AND THE RAIL TIME FUND MAY BE SPENT INCLUDING PAYING FEES RELATED TO ANY AGREEMENT BETWEEN THE BOARD AND ANY FINANCIAL INSTITUTION WHICH PROVIDES CREDIT, SECURITY, LIQUIDITY OR OTHER FINANCIAL ARRANGEMENT FOR THE BONDS, AND ANY OTHER COSTS, FEES AND EXPENSES REASONABLY RELATED TO THE ISSUANCE, SALE AND ADMINISTRATION OF THE BONDS.

2. THE BONDS MAY BEAR SUCH DATE OR DATES AND MATURE AT SUCH TIME OR TIMES, NOT EXCEEDING THE EARLIER OF THIRTY YEARS FROM THEIR RESPECTIVE DATES OR THE DATE THE TRANSPORTATION IMPROVEMENT EXCISE TAX SECURING THE BONDS CEASE, AS THE RESOLUTION OR RESOLUTIONS MAY PROVIDE.

3. THE BOARD MAY ESTABLISH SUCH ACCOUNTS OR SUBACCOUNTS WITHIN THE HIGHWAY TIME FUND AND THE RAIL TIME FUND THAT IT DETERMINES ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PROVISIONS OF THIS CHAPTER, INCLUDING ONE OR MORE BOND ACCOUNTS, RESERVE ACCOUNTS, PROCEEDS ACCOUNTS AND CONSTRUCTION ACCOUNTS, AND MAY DIRECT THE STATE TREASURER TO MAKE DEPOSITS INTO SUCH ACCOUNTS IN THE PRIORITY SPECIFIED BY THE BOARD.

4. BONDS ISSUED UNDER THIS ARTICLE SHALL BE FOR THE BENEFIT OF THIS STATE. ANY REFERENCES, DUTIES, RESPONSIBILITIES OR AUTHORITY GRANTED TO A COUNTY IN CHAPTER 21, ARTICLE 2 OF THIS TITLE SHALL NOT APPLY TO THIS ARTICLE, BUT SHALL BE CONSTRUED AS IF THOSE REFERENCES, DUTIES, RESPONSIBILITIES OR AUTHORITIES GRANTED APPLIED TO THE STATE.

B. THE RESOLUTION OR RESOLUTIONS OF THE BOARD MAY CONTAIN SUCH OTHER TERMS AND CONDITIONS, OF LIKE OR DIFFERENT CHARACTER, AS THE BOARD DETERMINES ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PROVISIONS OF THIS ARTICLE.

C. THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE BONDS ISSUED UNDER THIS ARTICLE THAT THIS STATE WILL NOT LIMIT OR ALTER THE TRANSPORTATION IMPROVEMENT EXCISE TAXES IN A WAY THAT ADVERSELY AFFECTS THE RIGHTS OF THE HOLDERS OF THE BONDS, AMEND OR RESCIND ANY PROVISION OF THIS ARTICLE OR CHAPTER 21, ARTICLE 2 OF THIS TITLE IN A WAY THAT ADVERSELY AFFECTS THE RIGHTS OF THE HOLDERS OF THE BONDS, LIMIT OR ALTER THE AUTHORITY TO LEVY THE TRANSPORTATION IMPROVEMENT EXCISE TAX IN A WAY THAT PREVENTS THE IMPOSITION OF SUFFICIENT TRANSPORTATION IMPROVEMENT EXCISE TAXES TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS ISSUED UNDER THIS ARTICLE, INTEREST ON THE BONDS, INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE BONDHOLDERS ARE FULLY MET AND DISCHARGED.

ARTICLE 3. TIME FUNDS

28-9331. TIME funds; sources

A. THE HIGHWAY TIME FUND IS ESTABLISHED THAT CONSISTS OF:

1. MONIES DISTRIBUTED FROM THE TRANSPORTATION IMPROVEMENT EXCISE TAX PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 1.

2. MONIES APPROPRIATED BY THE LEGISLATURE.

3. MONIES RECEIVED FROM DONATIONS FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF HIGHWAYS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT. THESE MONIES SHALL BE SPENT ONLY FOR THE PURPOSE INDICATED BY THE DONOR.

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4. MONIES RECEIVED FROM POLITICAL SUBDIVISIONS UNDER COOPERATIVE AGREEMENTS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT ON DELIVERY TO THE STATE TREASURER OF A CONCISE WRITTEN AGREEMENT BETWEEN THE DEPARTMENT AND THE POLITICAL SUBDIVISION STATING THE PURPOSES FOR WHICH THE MONIES ARE SURRENDERED BY THE POLITICAL SUBDIVISION. THESE MONIES SHALL BE SPENT ONLY AS STATED IN THE AGREEMENT.

5. PROCEEDS FROM BOND ISSUES.

6. INTEREST EARNED ON MONIES IN THE FUND.

7. MONIES RECEIVED FROM THE UNITED STATES UNDER AN ACT OF CONGRESS TO PROVIDE AID FOR THE CONSTRUCTION OF HIGHWAYS, EXCEPT THAT MONIES RECEIVED ON PROJECTS FOR WHICH MATCHING MONIES ARE REQUIRED TO BE PROVIDED BY THIS STATE, IF THOSE MATCHING MONIES ARE WHOLLY DERIVED FROM SOURCES PRESCRIBED IN PARAGRAPHS 2 AND 3 OF THIS SUBSECTION, THOSE MONIES SHALL BE ALLOTTED BY THE DEPARTMENT AND DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, BY THE STATE TREASURER IN THE SPECIAL ACCOUNT IN THE FUND ESTABLISHED FOR EACH PROJECT. ON COMPLETION OF THE PROJECT, ON SATISFACTION AND DISCHARGE IN FULL OF ALL OBLIGATIONS OF ANY KIND AND ON REQUEST OF THE DEPARTMENT, THE STATE TREASURER SHALL TRANSFER THE UNEXPENDED BALANCE OF MONIES RECEIVED PURSUANT TO PARAGRAPHS 2 AND 3 OF THIS SUBSECTION IN THE SPECIAL ACCOUNT FOR THE PROJECT INTO THE HIGHWAY TIME FUND, WHICH FUNDS MAY THEN BE SPENT UNDER ANY PROVISION OF THIS ARTICLE.

8. MONIES IN THE CUSTODY OF AN OFFICER OR AGENT OF THIS STATE FROM ANY SOURCE THAT IS TO BE USED FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF HIGHWAYS.

9. RECEIPTS FROM THE SALE, DISPOSAL, LEASE OR INCIDENTAL USE OF ANY OR ALL OTHER PROPERTY HELD BY THE DEPARTMENT AND PURCHASED WITH HIGHWAY TIME FUND MONIES.

10. MONIES EARMARKED FOR A SPECIFIC HIGHWAY TIME FUND RELATED IMPROVEMENT.

11. MONIES RECEIVED FROM PUBLIC PRIVATE PARTNERSHIPS AUTHORIZED BY ARTICLE 6 OF THIS CHAPTER.

B. THE RAIL TIME FUND IS ESTABLISHED THAT CONSISTS OF:

1. MONIES DISTRIBUTED FROM THE TRANSPORTATION IMPROVEMENT EXCISE TAX PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 2.

2. MONIES APPROPRIATED BY THE LEGISLATURE.

3. MONIES RECEIVED FROM DONATIONS FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEMS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT. THESE MONIES SHALL BE SPENT ONLY FOR THE PURPOSE INDICATED BY THE DONOR.

4. MONIES RECEIVED FROM POLITICAL SUBDIVISIONS UNDER COOPERATIVE AGREEMENTS. THE STATE TREASURER SHALL DEPOSIT THESE MONIES TO THE CREDIT OF THE FUND IN A SPECIAL ACCOUNT ON DELIVERY TO THE STATE TREASURER OF A CONCISE WRITTEN AGREEMENT BETWEEN THE DEPARTMENT AND THE POLITICAL SUBDIVISION STATING THE PURPOSES FOR WHICH THE MONIES ARE SURRENDERED BY THE POLITICAL SUBDIVISION. THESE MONIES SHALL BE SPENT ONLY AS STATED IN THE AGREEMENT.

5. PROCEEDS FROM BOND ISSUES.

6. INTEREST EARNED ON MONIES IN THE FUND.

7. MONIES RECEIVED FROM THE UNITED STATES UNDER AN ACT OF CONGRESS TO PROVIDE AID FOR THE CONSTRUCTION OF STATE PUBLIC TRANSPORTATION SYSTEMS, EXCEPT THAT MONIES RECEIVED ON PROJECTS FOR WHICH MATCHING MONIES ARE REQUIRED TO BE PROVIDED BY THIS STATE, IF THOSE MATCHING MONIES ARE WHOLLY DERIVED FROM SOURCES PRESCRIBED IN PARAGRAPHS 2 AND 3 OF THIS SUBSECTION, THOSE MONIES SHALL BE

ALLOTTED BY THE DEPARTMENT AND DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, BY THE STATE TREASURER IN THE SPECIAL ACCOUNT IN THE FUND ESTABLISHED FOR EACH PROJECT. ON COMPLETION OF THE PROJECT, ON SATISFACTION AND DISCHARGE IN FULL OF ALL OBLIGATIONS OF ANY KIND AND ON REQUEST OF THE DEPARTMENT, THE STATE TREASURER SHALL TRANSFER THE UNEXPENDED BALANCE OF MONIES RECEIVED PURSUANT TO PARAGRAPHS 2 AND 3 OF THIS, SUBSECTION IN THE SPECIAL ACCOUNT FOR THE PROJECT INTO THE RAIL TIME FUND, WHICH FUNDS MAY THEN BE SPENT UNDER ANY PROVISION OF THIS ARTICLE.

8. MONIES IN THE CUSTODY OF AN OFFICER OR AGENT OF THIS STATE FROM ANY SOURCE THAT IS TO BE USED FOR THE CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF STATE PUBLIC TRANSPORTATION SYSTEMS.

9. RECEIPTS FROM THE SALE, DISPOSAL, LEASE OR INCIDENTAL USE OF ANY OR ALL OTHER PROPERTY HELD BY THE DEPARTMENT AND PURCHASED WITH RAIL TIME FUND MONIES.

10. MONIES EARMARKED FOR A SPECIFIC RAIL TIME FUND RELATED IMPROVEMENT.

11. MONIES RECEIVED FROM THE OPERATION OF A STATE PUBLIC TRANSPORTATION SYSTEM OR STATE PUBLIC TRANSPORTATION FACILITY, INCLUDING A PASSENGER RAIL SYSTEM.

12. MONIES RECEIVED FROM PUBLIC PRIVATE PARTNERSHIPS AUTHORIZED BY ARTICLE 6 OF THIS CHAPTER.

C. THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL ADMINISTER THE TIME FUNDS.

D. THE DUTIES OF THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION UNDER THIS SECTION ARE SUPERVISORY. THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL NOT APPROVE A CLAIM OR DEMAND FOR A PURPOSE THAT IS NOT AUTHORIZED.

E. ON REQUEST, THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION SHALL SUBMIT TO THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION THE FACTS AND CIRCUMSTANCES CONNECTED WITH A CLAIM OR DEMAND.

F. THE HIGHWAY TIME FUND SHALL BE USED FOR ANY OF THE FOLLOWING PURPOSES:

1. PLANNING, ENGINEERING, CONSTRUCTING, IMPROVING AND MAINTAINING STATE HIGHWAYS, STATE ROUTES AND INTERSTATE HIGHWAYS.

2. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF ESTABLISHING, OPENING, ALTERING, RELOCATING, WIDENING OR ABANDONING PORTIONS OF A HIGHWAY.

3. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF THE PRESERVATION OF FUTURE TRANSPORTATION CORRIDORS.

4. TO PLEDGE REVENUES FOR BOND ISSUANCES RELATED TO A HIGHWAY.

5. TO PAY FOR OTHER INCIDENTAL COSTS ASSOCIATED WITH HIGHWAY PROJECTS.

6. TO MAKE PAYMENTS IN CONNECTION WITH PUBLIC PRIVATE PARTNERSHIPS.

7. TO PAY PRINCIPAL, INTEREST AND PREMIUM ON BONDS AND OTHER FINANCIAL OBLIGATIONS INCLUDING COSTS OF ISSUANCE.

8. TO FUND RESERVES FOR SUCH BONDS.

9. TO PAY EXPENSES RELATED TO ADMINISTERING AND PAYING SUCH BONDS.

10. TO FUND ADDITIONAL EMPLOYEES, EQUIPMENT, SERVICES, FACILITIES AND SUPPORT NECESSARY TO COMPLETE THE PROJECTS FUNDED BY THE TRANSPORTATION IMPROVEMENT EXCISE TAX.

11. ACCELERATION OF STATE HIGHWAYS, STATE ROUTES AND INTERSTATE IMPROVEMENT PROJECTS.

12. TO FUND ENVIRONMENTALLY SENSITIVE DESIGN.

13. TO FUND THE DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO FACILITATE WILDLIFE MOVEMENT DISRUPTED BY TRANSPORTATION PROJECTS.

G. THE RAIL TIME FUND SHALL BE USED FOR ANY OF THE FOLLOWING PURPOSES:

1. PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING, FINANCING, FURNISHING, EQUIPPING, IMPROVING, OPERATING AND MAINTAINING PASSENGER RAIL SYSTEMS OF STATEWIDE SIGNIFICANCE AS DETERMINED PURSUANT TO THE PLANNING PROCESSES ESTABLISHED IN THIS CHAPTER.

2. DISTRIBUTION AS STATE MATCHING GRANTS FOR PASSENGER RAIL INFRASTRUCTURE IMPROVEMENT PROJECTS THAT FACILITATE PASSENGER RAIL SYSTEMS, DECREASE CONGESTION, ENHANCE RAIL SAFETY OR FURTHER THE DEVELOPMENT OR USE OF PASSENGER RAIL. THE DEPARTMENT WILL ADMINISTER THE GRANT PROGRAM.

3. FOR DISBURSEMENT BY A STATE MATCHING GRANT TO FUND LOCAL, REGIONAL OR INTERCITY TRANSPORTATION OF PASSENGERS ALONG A ROADWAY, INCLUDING BUS, PARATRANSIT, AND LOCAL TRANSPORTATION OF PASSENGERS BY CARPOOL VEHICLE, RIDESHARE, AND OTHER SIMILAR METHODS. THE DEPARTMENT WILL ADMINISTER THE GRANT PROGRAM.

4. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF ESTABLISHING, OPENING, ALTERING, RELOCATING, WIDENING OR ABANDONING PORTIONS OF A STATE PUBLIC TRANSPORTATION SYSTEM.

5. TO PAY FOR LAND ACQUISITION AND LAND DAMAGES INCURRED BY REASON OF THE PRESERVATION OF FUTURE TRANSPORTATION CORRIDORS.

6. TO PAY PRINCIPAL, INTEREST AND PREMIUM ON BONDS AND OTHER FINANCIAL OBLIGATIONS INCLUDING COSTS OF ISSUANCE.

7. TO FUND RESERVES FOR SUCH BONDS.

8. TO PAY EXPENSES RELATED TO ADMINISTERING AND PAYING SUCH BONDS.

9. TO PAY FOR OTHER INCIDENTAL COSTS ASSOCIATED WITH STATE PUBLIC TRANSPORTATION PROJECTS.

10. TO MAKE PAYMENTS IN CONNECTION WITH PUBLIC PRIVATE PARTNERSHIPS.

11. TO FUND ADDITIONAL EMPLOYEES, EQUIPMENT, SERVICES, FACILITIES AND SUPPORT NECESSARY TO COMPLETE THE PROJECTS FUNDED BY THE TRANSPORTATION IMPROVEMENT EXCISE TAX.

H. THE DIRECTOR OF THE DEPARTMENT SHALL ESTABLISH ANY ACCOUNTS OR SUBACCOUNTS WITHIN THE TIME FUNDS AS HE DETERMINES ARE NECESSARY OR APPROPRIATE TO CARRY OUT THE PROVISIONS OF THIS TITLE. THESE ACCOUNTS OR SUBACCOUNTS SHALL BE CONSISTENT WITH ALLOCATIONS PRESCRIBED BY SECTION 28-9351. THE STATE TREASURER SHALL ACCOUNT SEPARATELY FOR ALL SUCH ACCOUNTS AND SUBACCOUNTS.

28-9332. Performance audits of proposed transportation projects and systems

A. BEGINNING IN 2015 AND EVERY FIFTH YEAR THEREAFTER, THE AUDITOR GENERAL SHALL CONTRACT WITH A NATIONALLY RECOGNIZED INDEPENDENT AUDITOR WITH EXPERTISE IN EVALUATING MULTIMODAL TRANSPORTATION SYSTEMS AND IN STATE AND REGIONAL TRANSPORTATION PLANNING TO CONDUCT A PERFORMANCE AUDIT, AS DEFINED IN SECTION 41-1278, AS AMENDED FROM TIME TO TIME, OF THE TIME FUNDS ESTABLISHED BY SECTION 28-9331 AND PROJECTS SCHEDULED FOR FUNDING DURING THE NEXT FIVE YEARS.

B. WITH RESPECT TO PASSENGER RAIL SYSTEMS, THE AUDIT SHALL CONSIDER THE CRITERIA USED BY THE FEDERAL TRANSIT ADMINISTRATION PURSUANT TO 49 UNITED STATES CODE SECTION 5309 AND THE INTERRELATIONSHIP AMONG THE CRITERIA TO PROVIDE FEDERAL FUNDING FOR PUBLIC TRANSPORTATION SYSTEMS. THE AUDIT SHALL ALSO CONSIDER RELEVANT FACTORS INCLUDING:

1. SERVICE LEVELS.

2. CAPITAL COSTS.

3. OPERATION AND MAINTENANCE COSTS.

4. TRANSIT RIDERSHIP.

5. FAREBOX REVENUES.

C. THE AUDIT SHALL:

1. EXAMINE THE STATE TRANSPORTATION PLAN AND PROJECTS SCHEDULED FOR FUNDING WITHIN EACH TRANSPORTATION MODE BASED ON THE PERFORMANCE FACTORS ESTABLISHED IN SECTION 28-505, SUBSECTION A, IN THE CONTEXT OF THE STATE PUBLIC TRANSPORTATION SYSTEM.

2. REVIEW PAST EXPENDITURES OF THE STATE PUBLIC TRANSPORTATION SYSTEM AND EXAMINE THE PERFORMANCE OF THE SYSTEM IN RELIEVING CONGESTION AND IMPROVING MOBILITY.

D. THE AUDITOR GENERAL OR THE AUDITORS CONTRACTED TO CONDUCT THE AUDIT SHALL PERIODICALLY UPDATE THE DEPARTMENT REGARDING THE PROGRESS OF THE AUDIT.

E. WITHIN FORTY-FIVE DAYS AFTER THE RELEASE OF THE AUDIT, THE DEPARTMENT SHALL SUBMIT WRITTEN RECOMMENDATIONS TO THE STATE TRANSPORTATION BOARD THAT THE FINDINGS ARE AGREED TO OR DISAGREED WITH AND THE RECOMMENDATIONS SHOULD BE IMPLEMENTED, IMPLEMENTED WITH MODIFICATION OR NOT BE IMPLEMENTED.

F. WITHIN FORTY-FIVE DAYS AFTER THE AUDIT'S RELEASE, THE STATE TRANSPORTATION BOARD SHALL HOLD A PUBLIC HEARING ON THE AUDIT FINDINGS AND RECOMMENDATIONS.

G. THE AUDITOR GENERAL SHALL DISTRIBUTE COPIES OF THE AUDIT TO:

1. THE STATE TRANSPORTATION BOARD.

2. THE GOVERNOR, SECRETARY OF STATE, PRESIDENT OF THE SENATE AND SPEAKER OF THE HOUSE OF REPRESENTATIVES.

3. THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

H. THE STATE TRANSPORTATION BOARD SHALL COOPERATE WITH AND SUBMIT TO THE AUDITOR GENERAL AND THE AUDITORS CONTRACTED TO CONDUCT THE AUDIT AND SUBMIT INFORMATION NECESSARY TO CONDUCT THE AUDITS UNDER THIS SECTION.

I. THE COST INCURRED BY THE AUDITOR GENERAL IN CONTRACTING WITH INDEPENDENT AUDITORS FOR CONDUCTING PERFORMANCE AUDITS OF THE TIME FUNDS UNDER SUBSECTION A OF THIS SECTION SHALL BE PAID FROM THE RESPECTIVE TIME FUNDS. WHEN DUE, THE PAYMENTS HAVE PRIORITY OVER ANY OTHER DISTRIBUTIONS, EXCEPT THE PAYMENT OF BONDED INDEBTEDNESS. THE AUDITOR GENERAL SHALL DEPOSIT THE PAYMENTS IN THE AUDIT SERVICES REVOLVING FUND ESTABLISHED BY SECTION 41-1279.06.

ARTICLE 4. PASSENGER RAIL SYSTEM PROJECTS

28-9341. Public transportation system planning

A. THE DEPARTMENT SHALL DEVELOP STATE PUBLIC TRANSPORTATION SYSTEMS AND STATE PUBLIC TRANSPORTATION SYSTEM FACILITIES, INCLUDING PROJECTS RELATING TO A PASSENGER RAIL SYSTEM, IN ACCORDANCE WITH THE LONG-RANGE STATE TRANSPORTATION PLAN ADOPTED BY THE DEPARTMENT.

B. IN DEVELOPING SUCH PLANS, THE DEPARTMENT SHALL ENGAGE IN A CONTINUING, COOPERATIVE AND COMPREHENSIVE TRANSPORTATION PLANNING PROCESS THAT INCLUDES APPROPRIATE PROJECT STAKEHOLDERS AND IS COORDINATED WITH OTHER PLANNING EFFORTS CONDUCTED WITHIN THE STATE.

C. THE PLANS SHALL BE DEVELOPED IN ACCORDANCE WITH ANY OTHER APPLICABLE FEDERAL REQUIREMENTS.

28-9342. Passenger rail project committee

A. IN ADDITION TO ANY APPLICABLE FEDERALLY MANDATED PLANNING PROCESSES, AND TO THE EXTENT PRACTICABLE, THE DEPARTMENT SHALL ASSEMBLE FOR EACH PASSENGER RAIL PROJECT A PASSENGER RAIL PROJECT COMMITTEE COMPRISED OF STATE AND LOCAL REPRESENTATIVES TO COORDINATE THE DEPARTMENT'S PLANNING FOR THE PROJECT RELATING TO THE SEGMENT OF THE PASSENGER RAIL SYSTEM. THE COMMITTEE SHALL CONSIST OF THE FOLLOWING MEMBERS:

1. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF SUPERVISORS FOR EACH COUNTY IN WHICH THE PROPOSED PASSENGER RAIL SYSTEM PROJECT IS LOCATED.
2. ONE MEMBER WHO IS APPOINTED BY EACH REGIONAL PLANNING AUTHORITY THAT REPRESENTS THE AREA IN WHICH THE PROPOSED PASSENGER RAIL SYSTEM PROJECT IS LOCATED.
3. THE STATE LAND COMMISSIONER OR STATE LAND COMMISSIONER'S DESIGNEE.
4. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE.
5. SIX MEMBERS WHO ARE APPOINTED BY THE GOVERNOR AND WHO SERVE AT THE PLEASURE OF THE GOVERNOR. THREE OF THESE MEMBERS SHALL REPRESENT THE PUBLIC AND THREE OF THESE MEMBERS SHALL REPRESENT INCORPORATED CITIES AND TOWNS IN WHICH THE PROPOSED PASSENGER RAIL SYSTEM PROJECT IS LOCATED.

B. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE SHALL SERVE AS THE CHAIR OF THE COMMITTEE.

C. THE DEPARTMENT WILL PROVIDE THE STAFF RESOURCES FOR THE COMMITTEE. THE DEPARTMENT MAY UTILIZE THE RESOURCES OF THE COMMITTEE'S CONSTITUENT AGENCIES AS WELL AS NECESSARY CONSULTANTS.

D. THE COMMITTEE MAY CONSIDER ALL DETAILS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM, INCLUDING:

1. THE PROPOSED ROUTE OF THE PROJECT.
2. THE PROPOSED SIZE AND LENGTH OF THE PROJECT.
3. THE LOCATION OF EACH STATION INCLUDED WITH THE PROJECT.
4. THE ESTIMATED DATE BY WHICH EACH PROJECT WILL BE INTRODUCED INTO REVENUE SERVICE.
5. THE ESTIMATED CAPACITY FOR EACH PROJECT.
6. THE COST FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF EACH PROPOSED PROJECT.
7. TRANSIT RIDERSHIP.
8. REVENUES.
9. COST EFFECTIVENESS.

E. THE COMMITTEE FOR A PROJECT TERMINATES AND DISSOLVES UPON ITS PRESENTATION OF ITS FINAL RECOMMENDATIONS TO THE BOARD.

28-9343. Recommending projects relating to a passenger rail system

IN ADDITION TO ANY APPLICABLE FEDERALLY MANDATED PLANNING REQUIREMENTS, THE PASSENGER RAIL PROJECT COMMITTEE MAY CONSIDER THE FOLLOWING FACTORS IN RECOMMENDING PLANS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM:

1. EXISTING PLANS OF THIS STATE, LOCAL GOVERNMENTS AND PRIVATE ENTITIES FOR OTHER DEVELOPMENTS AT OR IN THE VICINITY OF PROPOSED PROJECTS.
2. CONGESTION RELIEF.
3. ACCESSIBILITY.
4. INTEGRATION AND CONNECTIVITY WITH OTHER MODES OF TRANSPORTATION, INCLUDING HIGH CAPACITY PUBLIC TRANSPORTATION.
5. IMPACTS ON FREIGHT RAILROAD CAPACITY.

6. RIDERSHIP DEMAND, PROXIMITY TO HOUSING AND EMPLOYMENT CENTERS, AND PEDESTRIAN ORIENTATION.
7. COST AND CONSTRUCTION FEASIBILITY.
8. ECONOMIC BENEFITS AND COST EFFECTIVENESS.
9. REVENUES.
10. ENVIRONMENTAL IMPACTS.
11. ITS EFFECTS ON LOCAL ECONOMIC DEVELOPMENT AND REDEVELOPMENT, PARTICULARLY OF PRE-EXISTING URBAN CORES.
12. ABILITY TO REUSE EXISTING INFRASTRUCTURE AND STRUCTURES.
13. ANY OTHER CRITERIA THE COMMITTEE DEEMS APPROPRIATE.

28-9344. Public involvement procedures

A. IN DEVELOPING PLANS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM, THE DEPARTMENT SHALL ESTABLISH EARLY AND CONTINUOUS PUBLIC INVOLVEMENT OPPORTUNITIES THAT PROVIDE TIMELY INFORMATION ABOUT THE PROJECTS, AT KEY DECISION POINTS, TO CITIZENS, AFFECTED PUBLIC AGENCIES AND OTHER STAKEHOLDERS.

B. IN ADDITION TO ANY APPLICABLE FEDERALLY MANDATED PLANNING REQUIREMENTS, THE PUBLIC INVOLVEMENT PROCEDURES SHALL INCLUDE ONE OR MORE PUBLIC HEARINGS AT WHICH PLANS FOR PROJECTS RELATING TO A PASSENGER RAIL SYSTEM ARE DISCUSSED.

28-9345. Expenditure of funds by passenger rail project committee

ON RECEIPT OF A DETAILED ACCOUNTING OF THE PASSENGER RAIL PROJECT COMMITTEE'S EXPENSES, THE DIVISION MAY APPROVE AND PAY THE FOLLOWING:

1. ACTUAL, REASONABLE AND NECESSARY EXPENSES INCURRED BY THE COMMITTEE MEMBERS IN CONNECTION WITH THEIR PARTICIPATION IN COMMITTEE MEETINGS.
2. OTHER REASONABLE COSTS NECESSARY FOR THE COMMITTEE TO COMPLETE ITS MISSION.

ARTICLE 5. **TRANSPORTATION IMPROVEMENT EXCISE TAX**

28-9351. Transportation improvement excise tax distribution

A. THE MONIES DISTRIBUTED PURSUANT TO THIS SECTION ARE IN ADDITION TO ANY OTHER APPROPRIATION, TRANSFER OR OTHER ALLOCATION OF PUBLIC OR PRIVATE MONIES FROM ANY OTHER SOURCE. THE RECIPIENTS OF THE MONIES AND THE ARIZONA LEGISLATURE SHALL NOT SUPPLANT, REPLACE OR CAUSE ANY REDUCTION IN OTHER TRANSPORTATION FUNDING SOURCES BECAUSE OF THE RECEIPT OF THESE MONIES.

B. THE STATE TREASURER SHALL DEPOSIT PURSUANT TO SECTIONS 35-146 AND 35-147, OR DISTRIBUTE, THE TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES AS FOLLOWS:

1. FIFTY-FIVE PER CENT SHALL BE DEPOSITED IN THE HIGHWAY TIME FUND ESTABLISHED BY SECTION 28-9331 TO BE USED ON HIGHWAYS AS AUTHORIZED IN SECTION 28-9352, SUBSECTION A, OF WHICH:

a. FORTY-NINE PER CENT SHALL BE USED ON PROJECTS THAT ARE AUTHORIZED BY SECTION 28-9352, SUBSECTION A AND LOCATED IN ANY COUNTY WITH POPULATIONS OF 2,500,000 OR MORE PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

b. THIRTY-NINE PER CENT SHALL BE USED ON PROJECTS THAT ARE AUTHORIZED BY SECTION 28-9352, SUBSECTION A AND LOCATED IN ANY COUNTY WITH POPULATIONS OF 1,000,000 OR FEWER PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

c. TWELVE PER CENT SHALL BE USED ON PROJECTS THAT ARE AUTHORIZED BY SECTION 28-9352, SUBSECTION A AND LOCATED IN ANY COUNTY WITH A POPULATION OF MORE THAN 1,000,000 AND LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT

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DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

2. EIGHTEEN PER CENT DEPOSITED IN THE RAIL TIME FUND ESTABLISHED BY SECTION 28-9331 TO BE USED AS AUTHORIZED IN SECTION 28-9352, SUBSECTION B, OF WHICH:

a. EIGHT PER CENT SHALL BE ALLOCATED TO THE TRANSPORTATION AUTHORITY THAT PERFORMS REGIONAL PUBLIC TRANSPORTATION PLANNING AND PROGRAMMING FOR ANY OF THE COUNTIES THAT HAVE A POPULATION OF 2,500,000 OR MORE PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

b. FIVE PER CENT SHALL BE ALLOCATED TO THE TRANSPORTATION AUTHORITY THAT PERFORMS REGIONAL PUBLIC TRANSPORTATION PLANNING AND PROGRAMMING FOR ANY OF THE COUNTIES THAT HAVE A POPULATION OF MORE THAN 1,000,000 AND LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

c. EIGHTY-SEVEN PER CENT SHALL BE ALLOCATED FOR ANY PURPOSE AUTHORIZED BY SECTION 28-9352, SUBSECTION B.

3. TWENTY PER CENT TO BE USED FOR 28-9352, SUBSECTION C PROJECTS, OF WHICH:

a. SIXTY PER CENT SHALL BE DISTRIBUTED TO ANY COUNTY THAT HAS A POPULATION OF 2,500,000 OR MORE PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS AND THE CITIES, TOWNS AND INDIAN TRIBES LOCATED IN THOSE COUNTIES, IN PROPORTION TO THE RELATIVE POPULATIONS OF THE CITIES, TOWNS, INDIAN TRIBES AND THE UNINCORPORATED, NON-TRIBAL AREAS OF THE COUNTIES AS DETERMINED BY THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

b. THIRTY-EIGHT PER CENT SHALL BE DISTRIBUTED TO ANY COUNTY THAT HAS A POPULATION OF LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS AND THE CITIES AND TOWNS LOCATED IN THOSE COUNTIES, BASED ON THE ARIZONA HIGHWAY USER REVENUE FUND DISTRIBUTION FORMULA PRESCRIBED BY SECTION 28-6540.

c. TWO PER CENT SHALL BE DISTRIBUTED TO THE INDIAN TRIBES WHICH ARE LOCATED WITHIN ANY COUNTY WITH A POPULATION OF LESS THAN 2,500,000 PERSONS ACCORDING TO THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS AND DIVIDED AMONG THEM, IN PROPORTION TO THEIR RELATIVE POPULATIONS AS DETERMINED BY THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

4. FOUR PER CENT SHALL BE DISTRIBUTED FOR CERTAIN TRANSPORTATION RELATED ENHANCEMENTS AS PRESCRIBED IN SECTION 28-9352, SUBSECTION D, DISTRIBUTED TO THE COUNTIES, CITIES, TOWNS AND INDIAN TRIBES, IN PROPORTION TO THE RELATIVE POPULATIONS OF THE CITIES, TOWNS, INDIAN TRIBES AND THE UNINCORPORATED, NON-TRIBAL PARTS OF THE COUNTIES AS DETERMINED BY THE MOST RECENT DECENNIAL OR MID-DECENNIAL CENSUS AS CERTIFIED BY THE UNITED STATES BUREAU OF THE CENSUS.

5. THREE PER CENT SHALL BE DEPOSITED IN THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND CREATED IN SECTION 28-9353 AND DISTRIBUTED THROUGH A STATE GRANT PROGRAM ADMINISTERED BY THE DEPARTMENT IN CONSULTATION WITH THE STATE GAME AND FISH DEPARTMENT.

C. THE MONIES DISTRIBUTED PURSUANT TO SUBSECTION B OF THIS SECTION SHALL BE USED ON PROJECTS WITHIN THE STATE OF ARIZONA AND SHALL NOT BE TRANSFERRED FROM OR BETWEEN THE HIGHWAY TIME FUND, THE RAIL TIME FUND, THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND, OR FUNDS DISTRIBUTED TO CITIES, TOWNS, COUNTIES, REGIONAL TRANSPORTATION AUTHORITIES, OR INDIAN TRIBES.

D. ALL TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES AUTHORIZED BY THIS ACT ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATED TO THE LAPSING OF

APPROPRIATIONS. NOTWITHSTANDING ANY OTHER LAW, NO FUNDS COLLECTED UNDER THE TRANSPORTATION IMPROVEMENT EXCISE TAX, NOR BALANCE OF FUNDS SHALL BE SUBJECT TO REVERSION BY ANY ACT OF THE LEGISLATURE. INTEREST EARNED ON MONIES IN THE FUND SHALL BE CREDITED TO THE FUND.

28-9352. Designated transportation improvements

A. THE BOARD SHALL DETERMINE THE TRANSPORTATION PROJECTS DESIGNATED TO BE FUNDED BY THE TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 1 AND WILL PUBLISH THE SELECTED PROJECTS TO THE PUBLIC AS THE "RECOMMENDED TIME PROGRAM." THOSE PURPOSES MAY INCLUDE:

1. THE COST OF ENGINEERING, CONSTRUCTION, IMPROVEMENT AND MAINTENANCE OF STATE HIGHWAYS, AND PARTS OF HIGHWAYS FORMING STATE ROUTES.
2. THE COST OF INTERSTATE IMPROVEMENTS.
3. THE ACCELERATION OF STATE HIGHWAY, STATE ROUTES AND INTERSTATE IMPROVEMENT PROJECTS.
4. ENVIRONMENTALLY SENSITIVE DESIGNS AND THE DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO FACILITATE WILDLIFE MOVEMENT DISRUPTED BY TRANSPORTATION PROJECTS.
5. THE FUNDING OF PRIVATE PUBLIC PARTNERSHIPS RELATED TO TRANSPORTATION AND ALLOWABLE UNDER LAW.
6. ANY OTHER TRANSPORTATION RELATED PURPOSE.

B. TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 2 MAY BE USED FOR:

1. PASSENGER RAIL SYSTEMS OF STATEWIDE SIGNIFICANCE AS DETERMINED PURSUANT TO THE PLANNING PROCESSES ESTABLISHED IN CHAPTER 28.
2. FREIGHT RAIL IMPROVEMENTS THAT ENHANCE THE IMPLEMENTATION OF PASSENGER RAIL.
3. DIRECT DISTRIBUTIONS AND STATE MATCHING GRANTS FOR PASSENGER RAIL INFRASTRUCTURE IMPROVEMENT PROJECTS THAT FACILITATE PASSENGER RAIL SYSTEMS, INCLUDING LIGHT RAIL, DECREASE CONGESTION, ENHANCE RAIL SAFETY, OR FURTHER THE DEVELOPMENT OR USE OF PASSENGER RAIL. THE GRANTS SHALL BE ADMINISTERED BY THE DEPARTMENT.
4. DIRECT DISTRIBUTIONS AND STATE MATCHING GRANTS FOR PROGRAMS THAT PROVIDE LOCAL, REGIONAL OR INTERCITY TRANSPORTATION OF PASSENGERS ALONG A ROADWAY, INCLUDING BUS, PARATRANSIT, AND LOCAL TRANSPORTATION OF PASSENGERS BY CAR POOL, RIDESHARE, AND OTHER SIMILAR METHODS. THE GRANTS SHALL BE ADMINISTERED BY THE DEPARTMENT.

C. TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 3 MAY BE USED FOR LOCAL TRANSPORTATION PURPOSES, WHICH INCLUDE PROVIDING LOCAL ROADS, LIGHT RAIL, BUS, PARATRANSIT, CARPOOL, VEHICLE, TRANSPORTATION ENHANCEMENTS, TRANSPORTATION SAFETY IMPROVEMENTS AND OTHER TRANSPORTATION RELATED PROJECTS. INDIAN TRIBES SHALL USE THE FUNDS FOR ANY OF THE PURPOSES DESCRIBED IN THIS SECTION, BUT ONLY IF THE PROJECT BENEFITS AND IS ACCESSIBLE TO THE GENERAL PUBLIC AS WELL AS TRIBAL MEMBERS AND IS LOCATED IN ARIZONA.

D. TRANSPORTATION IMPROVEMENT EXCISE TAX MONIES DISTRIBUTED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 4 MAY BE USED FOR:

1. ACQUISITION OF SCENIC EASEMENTS.
2. DEVELOPMENT OF SAFE SCHOOL ROUTES.

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3. ENVIRONMENTAL MITIGATION TO ADDRESS WATER POLLUTION OR TO REDUCE VEHICLE-CAUSED WILDLIFE MORTALITY WHILE MAINTAINING HABITAT CONNECTIVITY.
4. LANDSCAPING AND OTHER SCENIC BEAUTIFICATION.
5. NEIGHBORHOOD MITIGATION RELATED TO FREEWAY PROJECTS.
6. PRESERVATION OF RAILWAY CORRIDORS, INCLUDING THE CONVERSION AND USE OF THE CORRIDORS FOR PEDESTRIAN OR BICYCLE TRAILS.
7. PROVISION OF FACILITIES FOR PEDESTRIANS AND BICYCLES.
8. SCENIC OR HISTORIC ROADWAY PROGRAMS.
9. TRANSIT ORIENTED DEVELOPMENT.
10. OTHER SIMILAR TRANSPORTATION ENHANCEMENT PROJECTS AS DETERMINED BY THE DEPARTMENT.

E. INDIAN TRIBES SHALL USE THE FUNDS DISTRIBUTED TO THEM PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 4 FOR ANY OF THE PURPOSES DESCRIBED ABOVE IN SUBSECTION D OF THIS SECTION, BUT ONLY IF THE PROJECT BENEFITS AND IS ACCESSIBLE TO THE GENERAL PUBLIC AS WELL AS TRIBAL MEMBERS AND IS LOCATED IN ARIZONA.

28-9353. Open space conservation and wildlife habitat fund

A. THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND IS ESTABLISHED, CONSISTING OF MONIES APPROPRIATED BY THE LEGISLATURE, DEPOSITED PURSUANT TO SECTION 28-9351, SUBSECTION B, PARAGRAPH 5 OR DEPOSITED BY FEDERAL GRANTS AND PRIVATE GIFTS.

B. THE DIRECTOR SHALL ADMINISTER THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND, IN CONSULTATION WITH THE STATE GAME AND FISH DEPARTMENT. NOTWITHSTANDING ANY OTHER LAW, NO FUNDS HELD IN THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND, NOR BALANCE OF THE FUND, SHALL BE SUBJECT TO REVERSION BY ANY ACT OF THE LEGISLATURE. INTEREST EARNED ON MONIES IN THE FUND SHALL BE CREDITED TO THE FUND. ON NOTICE FROM THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

C. THE PURPOSE OF THE OPEN SPACE CONSERVATION AND WILDLIFE HABITAT FUND IS TO PROTECT, MAINTAIN OR RECOVER WILDLIFE HABITATS AND OPEN SPACE IN THIS STATE THAT ARE AFFECTED DIRECTLY OR INDIRECTLY BY TRANSPORTATION PROJECTS. THE DIRECTOR WILL SELECT PROJECTS FOR FUNDING BASED ON THE PRIORITIES IDENTIFIED IN THE ARIZONA STATE WILDLIFE ACTION PLAN OR THE ARIZONA GAME AND FISH DEPARTMENT WILDLIFE MANAGEMENT PLAN. MONIES MAY BE USED FOR THE ACQUISITION OF REAL PROPERTY. MONIES SHALL BE DISTRIBUTED THROUGH A GRANT PROGRAM ADMINISTERED BY THE DEPARTMENT. THE DEPARTMENT MAY ISSUE GRANTS TO AN AGENCY OR ANY POLITICAL SUBDIVISION OF THIS STATE, INDIAN TRIBE, OR AN ORGANIZATION THAT IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(c) OF THE INTERNAL REVENUE CODE. GRANTS SHALL BE FOR PROJECTS THAT THE DEPARTMENT IS NOT OTHERWISE ALREADY REQUIRED TO COMPLETE UNDER STATE OR FEDERAL LAW.

ARTICLE 6. **PUBLIC PRIVATE PARTNERSHIPS**

28-9361. Definitions

1. "PRIVATE CONTRIBUTION" MEANS THE SUPPLY BY A PRIVATE ENTITY OF RESOURCES TO ACCOMPLISH ALL OR ANY PART OF THE WORK ON A TRANSPORTATION PROJECT AUTHORIZED UNDER SECTION 28-9352 OR RELATED TO A DEPARTMENT OWNED OR OPERATED PORT OF ENTRY, INCLUDING MONIES, FINANCING, INCOME, REVENUE, COST SHARING, TECHNOLOGY, STAFF, EQUIPMENT, EXPERTISE, DATA, OR ENGINEERING, CONSTRUCTION, OPERATION OR MAINTENANCE SERVICES.

2. "PUBLIC-PRIVATE PARTNERSHIP" MEANS A NONTRADITIONAL ARRANGEMENT BETWEEN THE DEPARTMENT AND ONE OR MORE PRIVATE OR PUBLIC ENTITIES THAT PROVIDES FOR ONE OR MORE OF THE FOLLOWING:

a. ACCEPTANCE OF A PRIVATE CONTRIBUTION TO A TRANSPORTATION PROJECT OR SERVICE IN EXCHANGE FOR A PUBLIC BENEFIT CONCERNING THAT PROJECT OR SERVICE OTHER THAN ONLY A MONEY PAYMENT.

b. SHARING OF RESOURCES AND THE MEANS OF PROVIDING TRANSPORTATION SYSTEM PROJECTS OR SERVICES.

c. COOPERATION IN RESEARCHING, DEVELOPING, AND IMPLEMENTING TRANSPORTATION SYSTEM PROJECTS OR SERVICES.

3. "UNSOLICITED PROPOSAL" MEANS A WRITTEN PROPOSAL FOR A PUBLIC-PRIVATE PARTNERSHIP THAT IS SUBMITTED BY A PRIVATE ENTITY FOR THE PURPOSE OF ENTERING INTO AN AGREEMENT WITH THE DEPARTMENT BUT THAT IS NOT IN RESPONSE TO A FORMAL SOLICITATION OR REQUEST ISSUED BY THE DEPARTMENT.

28-9362. Public-private partnership authority

THE DEPARTMENT MAY SOLICIT AND CONSIDER PROPOSALS, CONSIDER UNSOLICITED PROPOSALS, ENTER INTO AGREEMENTS, GRANT BENEFITS, AND ACCEPT CONTRIBUTIONS FOR PUBLIC-PRIVATE PARTNERSHIPS PURSUANT TO THIS ARTICLE CONCERNING ANY TRANSPORTATION PROJECT, USING ANY PROJECT DELIVERY METHOD OR PROCUREMENT METHOD PERMITTED IN TITLE 28.

28-9363. Public-private partnerships

THE DEPARTMENT MAY ENTER INTO AN AGREEMENT FOR EACH PUBLIC-PRIVATE PARTNERSHIP, WHICH SHALL INCLUDE TERMS AND CONDITIONS IN THE AGREEMENT THAT IT DETERMINES ARE APPROPRIATE IN THE PUBLIC INTEREST AND SAFETY AND TO PROTECT THE DEPARTMENT.

Section 8. Title 41, chapter 23, article 1, Arizona Revised Statutes, is amended by adding section 41-2501.01

41-2501.01 Applicability to state public transportation projects

THE STATE TRANSPORTATION BOARD AND THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION ARE EXEMPT FROM THE PROVISIONS OF THIS CHAPTER OTHER THAN SECTION 41-2856 FOR THE PROCUREMENT OF CONSTRUCTION, PROPERTY, GOODS OR SERVICES FOR STATE PUBLIC TRANSPORTATION PURPOSES.

Section 9. Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 42-5010.01 to read:

42-5010.01. Transportation improvement excise tax

IN ADDITION TO THE RATES PRESCRIBED BY SECTION 42-5010, SUBSECTION A, AN ADDITIONAL RATE INCREMENT IS IMPOSED AS THE TRANSPORTATION IMPROVEMENT EXCISE TAX AND SHALL BE COLLECTED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2039. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SECTION AT THE SAME TIME AND IN THE SAME MANNER AS THE TAXES UNDER 42-5010, SUBSECTION A. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATES IMPOSED PURSUANT TO TRANSPORTATION IMPROVEMENT EXCISE TAX AND THE STATE TREASURER SHALL DISTRIBUTE ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 28-9351. THE RATES IMPOSED PURSUANT TO THIS SECTION SHALL NOT BE CONSIDERED LOCAL REVENUES FOR PURPOSES OF ARTICLE IX, SECTION 20, CONSTITUTION OF ARIZONA. THE ADDITIONAL TAX RATE INCREMENT IS LEVIED AT THE RATE OF ONE PER CENT OF THE TAX BASE OF EVERY PERSON ENGAGING OR CONTINUING IN THIS STATE IN A BUSINESS CLASSIFICATION LISTED IN 42-5010, SUBSECTION A, PARAGRAPHS 1, 2 AND 3.

Section 10. Title 42, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 42-5039 to read:

42-5039. Remission and distribution of transportation improvement excise tax

A. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146, 35-147 AND 42-1116, ALL REVENUES COLLECTED UNDER SECTIONS 42-5010.01, 42-5155.01 AND 42-5202.01,

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SEPARATELY ACCOUNTING FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATES IMPOSED PURSUANT TO THE TRANSPORTATION IMPROVEMENT EXCISE TAX AND SHALL MANAGE AND DISTRIBUTE SUCH REVENUES FOLLOWING THE PROCEDURES ESTABLISHED IN SECTION 42-5029.

B. ALL MONIES COLLECTED PURSUANT TO SECTIONS 42-5010.01, 42-5155.01 AND 42-5202.01 SHALL BE DISTRIBUTED EACH MONTH PURSUANT TO SECTION 28-9351. THE MONIES DISTRIBUTED PURSUANT TO THIS SECTION ARE IN ADDITION TO ANY OTHER APPROPRIATION, TRANSFER OR OTHER ALLOCATION OF PUBLIC OR PRIVATE MONIES FROM ANY OTHER SOURCE AND SHALL NOT SUPPLANT, REPLACE OR CAUSE ANY REDUCTION IN OTHER TRANSPORTATION FUNDING SOURCES.

Section 11. Title 42, chapter 5, article 4, Arizona Revised Statutes, is amended by adding section 42-5155.01 to read:

42-5155.01. Levy of transportation improvement excise tax

IN ADDITION TO THE RATE PRESCRIBED BY SECTION 42-5155, AN ADDITIONAL RATE INCREMENT OF ONE PER CENT IS IMPOSED AND SHALL BE COLLECTED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2039. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNDER SUBSECTION C OF SECTION 42-5155. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SECTION AND THE STATE TREASURER SHALL PAY ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 42-5039.

Section 12. Title 42, chapter 5, Article 4, Arizona Revised Statutes, is amended by adding section 42-5202.01 to read:

42-5202.01 Levy of transportation improvement excise tax

IN ADDITION TO THE RATE PRESCRIBED BY SECTION 42-5202, SUBSECTION C, AN ADDITIONAL RATE INCREMENT OF ONE PER CENT IS IMPOSED AND SHALL BE COLLECTED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2039. THE TAXPAYER SHALL PAY TAXES PURSUANT TO THIS SUBSECTION AT THE SAME TIME AND IN THE SAME MANNER AS TAXES ARE PAID UNDER ARTICLE 1 OF THIS CHAPTER. THE DEPARTMENT SHALL SEPARATELY ACCOUNT FOR THE REVENUES COLLECTED WITH RESPECT TO THE RATE IMPOSED PURSUANT TO THIS SECTION, AND THE STATE TREASURER SHALL PAY ALL OF THOSE REVENUES IN THE MANNER PRESCRIBED BY SECTION 42-5039.

Section 13. Conforming Legislation

The legislative council staff shall prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of this act for consideration initially in the 49th legislature, 1st regular session.

Section 14. Exemption from rule making

The Director, the Department of Transportation and the State Transportation Board are exempt from the rule making requirements of title 41, chapter 6, Arizona Revised Statutes regarding rulemaking authority established by this act for 5 years from the effective date of this act, except as otherwise provided in this section.

Section 15. Severability

If any provision of this initiative measure is declared invalid, such invalidity shall not affect other provisions of this initiative measure that can be given effect without the invalid provision. To this end, the provisions of this initiative measure are declared to be severable.

44 MAY 8 - 10 AM '08

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